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(54) Title: MORTGAGE AUCTION PROCESS MODEL

(57) Abstract:

## MORTGAGE AUCTION PROCESS MODEL

### CROSS-REFERENCES TO RELATED APPLICATIONS

The following U.S. Patent Application claims priority under 35 U.S.C. §119 based  
5 upon the provisional application entitled Mortgage Auction Process Model with application  
number 60/131,360 filed on April 28, 1999.

### BACKGROUND

The invention relates in general to the field electronic commerce and, more particularly,  
10 relates to a model for electronically auctioning mortgages, typically over the Internet.

For many consumers, the purchase and financing of real estate is one of the most  
complex and potentially expensive processes a consumer can experience. Typically,  
consumers rely on mortgage brokers and lenders, who may not provide them with the lowest  
cost alternatives available, for their borrowing qualifications.

15 Often, a consumer may have to temper his quest for a low-cost loan based on time  
constraints, given the nature of the need for home financing. Hence, consumers may make  
both cost and time primary factors in seeking a mortgage.

Typically, consumers acquire a mortgage through a lender directly or through a broker  
affiliated with a set of lenders. For example, a consumer may enter a bank and complete a loan  
20 application provided by that lender. In addition, this consumer authorizes the lender to retrieve  
a copy of his credit report. Subsequently, the lender decides whether to offer a loan based on  
the consumer's loan application and credit report. In making this decision, lenders may vary  
the amount they charge a consumer for the loan in terms of fees and interest rate.

To increase the chance of getting a competitive offer, the consumer may contact  
25 multiple lenders, complete multiple loan applications, and authorize the release of multiple  
credit reports. Though "shopping around" may marginally increase the chance of getting a  
competitive priced financing directly from a lender, it may demand considerable time from the  
consumer. A consumer must ascertain the associated rates and fees from multiple lenders.  
Subsequently, the consumer may negotiate with a previous lender for a better price. This  
30 investigation and negotiation demand considerable time. First, the buyer is only familiar with  
the lenders that he contacts. His knowledge of a few lenders severely restricts the size of the  
group of lenders from which he hopes to get the best price.

In addition, loan shopping among direct lenders by a consumer may hinder the consumer's ability to secure a future loan. For example, allowing multiple lenders to obtain a copy of the consumer's credit report may decrease his credit score. Because most lenders consider a consumer's credit score, this reduction may make a subsequent lender leery about offering a loan.

Alternatively, a consumer may acquire a loan through a mortgage broker. In this scenario, a consumer completes an application and authorizes the mortgage broker to obtain one copy of his credit report. Subsequently, the mortgage broker may submit the loan application to several lending institutions. As previously described, lenders consider whether they want to offer a loan based on the loan application and credit score. However, mortgage brokers that generate repeat business for lenders may aid the consumer in getting a more competitive offer. In addition, the consumer can submit his application to multiple lenders through the mortgage broker with a single credit report.

Though using brokers may produce better results than "loan shopping", it limits the borrowers to lenders known by the mortgage broker. Moreover, the process may subject the borrower to a considerable amount of time. For example, a broker may have to submit a loan application of a borrower with a low credit score to several lenders before finding one that will offer a loan. Though using both mortgage brokers and contacting lenders directly have been used for quite some time, these processes may demand that consumers spend a substantial amount of time during the application process without reaping comparable financial benefits.

In view of the above, there is a continuing need for more efficient markets, which congregate a larger universe of consumers that set the value of goods and services. In addition, there is a continuing need for the elimination of geographic constraints from many real estate transactions to allow consumers and lenders to assemble in one global, electronic bazaar advantageous for all parties.

## SUMMARY OF THE INVENTION

The present invention solves the borrower's problems described above. By creating an on-line auction, loan applicants have instant access to multiple lending institutions that will compete against each other for the opportunity to close the borrower's loan. The borrower will receive the best offer available because each lender must provide a more attractive bid than the previous lender's bid. Through the mortgage auction process, the borrower will have instant

access to numerous lending institutions that the borrower may not have otherwise contacted due to geographic or time restraints. Investigating and negotiating loan rights with multiple lenders demands a considerable amount of time. Additionally, instead of each lender pulling a credit report of the borrower, which may hurt the borrower's credit at a time when the best credit possible is desired, only one credit report needs to be obtained for the all of the bidding  
5      lending institutions.

Furthermore, the process is typically free to the borrower and the borrower is under no obligation to consummate the loan offer. Thus, auctioning the borrower's potential loan will save the borrower both time and a significant amount of money.

10      The lending institutions also benefit greatly from the present invention. Finding and developing good leads for potential loans is extremely costly and time intensive. A mortgage auction process can deliver inexpensively a vast number of potential loan applicants. Since, a lender generally only gets charged for winning auction bids, lending institutions can save the valuable resources and money spent on finding potential customers.

15      Generally described, the invention is a method for electronically auctioning a loan application submitted by a borrower. The borrower submits for auction an electronic loan application consisting of the borrower profile and a property profile. Lenders electronically bid on the application during the bidding interval.

More specifically described, the Mortgage Auction Process is an multi-tiered, on-line  
20      marketplace where consumer mortgage applications are bid upon in an auction format by competing lending institutions. A borrower visits the mortgage auction site and completes an application. The application includes a borrower profile that describes the borrowers' financial situation. A property profile is also completed that contains information about the desired property and the amount of the down payment. The borrower profile with any identifying  
25      information redacted and the associated property information are combined with the borrower's credit rating to create a consumer profile. This consumer profile is presented to the lenders in the auction.

The lenders bid for the opportunity to close a loan with a borrower. However, a lender may desire to bid on only certain loan types or borrowers that meet certain standards. The  
30      lending institution can specify the desired criteria and be presented for auction only those consumer profiles that meet their designated criteria.

On-line, the lenders bid on the consumer profiles presented to them. The bid consists of an interest rate and the associated fees to close the loan. Each bid is converted into a comparative index. Typically, the interest rate and associated fee are converted into an annual percentage rate to create the comparative index. The lending institution with the lowest comparative index is designated as the winner of the corresponding borrower's mortgage loan. Both the borrowers and the lending institutions are notified of the result of this first auction.

A second auction may also be performed, this is known as "Auction Close-out". This second auction is created from borrowers who did not participate or receive bids in the first auction. During the second auction, the lending institution only bids a flat amount for the opportunity to further explore a loan possibility with the borrower. The lender that bids the highest amount is designated the winner. Again, the borrowers and the winning lending institutions are notified of the result of the second auction.

A third auction may also be performed. Typically it would consist of borrowers who did not receive a bid in the second auction. Generally, the borrower files are sold as a block of grouped borrower files. A lending institution that will agree to purchase the block of borrower profiles is designated as the winner. Again, the borrowers and winning lender institution are notified of the third auction results. For many borrowers, the purchase and financing of real estate is one of the most complex and potentially expensive processes a consumer can experience. Typically, borrowers rely on mortgage brokers and lenders, who may not provide them with the lowest cost alternatives available, for their borrowing qualifications.

#### BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1A is a block diagram illustrating a mortgage auction process model according to an exemplary embodiment of the invention, the steps of which are shown in greater detail in FIGS. 2A-20.

FIG. 1B illustrates a browser-based display screen for a general home page.

FIG. 2A is a logic flow diagram illustrating the operation of a mortgage auction process routine that controls operation of the mortgage auction process system of FIG. 1A.

FIG. 2B is a sample display screen for notifying borrowers.

FIG. 3A is a logic flow diagram illustrating a routine for preparing for a primary auction.

FIG. 3B illustrates a sample display for selecting bidding criteria.

FIG. 4A is a logic flow diagram illustrating preparing a borrower for primary auction.

FIG. 4B is a display screen illustrating an electronic screen for starting an auction. FIG.

5A is a logic flow diagram illustrating an auction test drive routine.

5 FIGS. 5B-C are display screens illustrating an auction test drive application.

FIG. 5D is a display screen illustrating a test drive analysis screen.

FIG. 6A is a logic flow diagram illustrating an account registration process.

FIG. 6B is a display screen illustrating the account registration.

FIG. 7A is a logic flow diagram illustrating obtaining the borrower's information.

10 FIGS. 7B-7D are display screens illustrating parts of an auction application or borrower information.

FIG. 8A is a logic flow diagram illustrating obtaining loan information.

FIGS. 8B-8C are browser based display screens illustrating obtaining loan information.

FIG. 9A is a logic flow diagram illustrating obtaining miscellaneous information.

15 FIGS. 9B-9C are browser based display screens illustrating obtaining miscellaneous information.

FIG. 9D is a browser based display screen illustrating the status of borrower registration.

FIG. 10A is a logic flow diagram illustrating a routine for creating a loan summary.

20 FIG. 10B illustrates a display screen with a sample loan summary.

FIG. 11A is a logic diagram for a routine that prepares lenders for a primary auction.

FIG. 11B is a browser based display screen for a lender web page.

FIG. 12A is a logic diagram for a routine for displaying account activity.

FIG. 12B is a browser based display screen for displaying company information.

25 FIG. 12C illustrates a sample display screen for an auction summary.

FIGS. 12D-12E are browser based display screens illustrating sample registration information for appraisal/closing services.

FIG. 12F is a display screen that allows lenders to modify their log-in.

30 FIG. 13A is a logic diagram for a routine for prompting a lender to modify his company profile.

FIGS. 13B-13C illustrate sample display screens for contact information.

FIGS. 13D-13H are display screens for payment information, company information, reference information and a participation agreement.

FIG. 14A is a logic diagram for a routine that prompts a lender to enter bidding criteria.

FIGS. 14B-14C illustrates a sample display screen involving a lender's bidding criteria.

5 FIG. 15A is a logic diagram that prompts an individual lender for a bid.

FIGS. 15B-15C are display screens illustrating a list of loan synopses.

FIG 15D is a display screen for placing an auction bid.

FIG. 16 is a logic diagram for a routine that activates an individual lender's account activity.

10 FIG. 17A is a logic flow diagram illustrating a routine for conducting the primary auction.

FIGS. 17B-17C are source codes for converting the lender's bid into an annual application.

FIG. 18 is a logic flow diagram illustrating a routine for preparing a secondary auction.

15 FIG. 19 is a logic flow diagram illustrating conducting a secondary auction.

FIG. 20 is a logic flow diagram illustrating conducting a private placement.

While the invention is susceptible to various modifications and alternative forms, specific embodiments have been shown by way of example in the drawings and are described in detail. It should be understood, however, that the description herein of specific  
20 embodiments is not intended to limit the invention to the particular forms disclosed. On the contrary, the intention is to cover all modifications, equivalents, and alternatives falling within the spirit and scope of the invention as defined by the appended claims.

#### DETAILED DESCRIPTION OF EMBODIMENTS OF THE INVENTION

25 Illustrative embodiments of the invention are described below as they might be employed in a mortgage auction process model. In the interest of conciseness, not all features of an actual implementation are described in this specification. It will of course be appreciated that in the development of any actual embodiment, numerous implementation-specific decisions must be made to achieve the developer's specific goals, such as compliance with  
30 system-related and business-related constraints. Moreover, it will be appreciated that even if such a development effort might be complex and time-consuming, it would nevertheless be a routine undertaking for one of ordinary skill having the benefit of this disclosure.

The present invention is typically embodied in an Internet server that meets the above-described needs by providing a mortgage industry professional (such as a mortgage broker or lender to submit "real-time" price quotes or preliminary commitments to prospective mortgagors. The present invention uses a graphic user interface to an electronic exchange that facilitates dynamic pricing. This pricing scheme is based on the individual qualifications of the consumer. These professionals then offer to purchase the right to obtain the borrowers.

FIG. 1A is a block diagram illustrating a mortgage auction process system 100 that includes an Internet server 105. The Internet server 105 may have a designated location, or website, on the world wide web. The website may include mortgage auction pages 107 as well as other site pages linked together. The other site pages 109 may include information relating to appraisal matching services, an Internet leads program for real estate agents, as well as a nationwide network for title insurance companies, for example.

FIG. 1B illustrates a website entry screen 106 that is a browser-based display screen. The website entry screen 106 includes a tab bar 180 providing for selectivity of various applications such as agents, lenders, appraisers, service providers, home buyers, home sellers and commercial. Additionally, there is a menu 185 that provides a set of selection criteria tailored for the homebuyers and sellers. For example, the secondary menu 185 includes a selection criteria such as get financing options, analyze properties, get organized, search for homes, search for new homes, and learn about.

The website entry screen 106 further includes a button link 187 to information (not shown) regarding service providers and a user data entry field 188 with a drop down menu selection for automatic entry of a selected country. Button 188a links to information (not shown) regarding agents, lenders and service providers in the particular country identified in user data entry field 188. Button 189 links to company information. Screen 106 further includes selection buttons 190-193 labeled "Start here". Each of the selection buttons 190-193 link to a particular application, such as mortgage lenders, within the system.

A set of borrowers 110 may peruse the mortgage auction pages 107 by connecting to the Internet 115 using a set of computers 112. If one of the mortgage auction pages 107 includes an auction application, one of borrowers 110 may complete an auction application and submit it to the auction during the on-line session. After completing this application he transmits it via the Internet 115 to the Internet server 105 as illustrated in FIG. 1A. Within the



Internet server 105, the mortgage auction process routine 108 controls this operation of the mortgage auction pages 107.

Similarly, a set of auction lenders 120 may peruse mortgage auction on pages 107 via the Internet 115. Specifically, the auction lenders 120 may connect to the Internet 115 via the computers 122. If one of the mortgage auction pages 107 includes a borrower criteria form, the auction lenders 120 may specify criteria for which they will consider granting a loan. These criteria may include factors such as geographical location, loan type, and loan term. After completing this consumer criteria form, the auction lenders 120 transmit it via the Internet 115 to the Internet server 105 as indicated in FIG. 1A. The mortgage auction process routine 108 supervises receipt of this information.

When the Internet server 105 receives the auction application from the borrowers 110, it generates consumer profiles for each of the borrowers 115 that includes pertinent financial information without identifying the borrower. Under the direction of the mortgage auction process routine 108, the Internet server 105 transmits a set of borrower profiles that satisfy the lenders' criteria to respective lenders. These profiles may indicate mortgage and property information on the borrower, as well as occupation, and other information. Auction lenders 120 may bid on borrower applications by submitting the fees and interest rate they will offer this borrower based on this profile. These lenders submit their bids to the Internet server 105 via the Internet 115 as indicated in FIG. 1A.

After receiving the bids from the participating auction lenders 120 during a first auction, the mortgage auction process routine 108 designates a winning lender from the group of auction lenders 120 for each of the borrowers 110 that received bids. The Internet server 105 through the mortgage auction process routine 108 notifies the borrowers 110 that received winning bids of the status of their auction application. The Internet server 105 may also notify the winning lender of the individual borrower application he won by transmitting the borrower's file, as shown in FIG. 1A. The borrower's file may include the contents of the borrower profile with identifying information. Generally, both of these notifications are done via electronic mail, though some other sort of communication may be used. If the some of the borrowers 110 do not receive bids from lenders 120, the mortgage auction process may also notify them.

In addition the first auction, the mortgage auction process routine 108 may conduct a secondary auction for the borrower 130 who either received no bids or opted not to participate

in the first auction. Like the borrowers 110, the borrowers 130 submit auction applications to the Internet server 105 over the Internet 115 using the computers 132. The lenders 140 submit borrower criteria forms to the Internet server 105 over the Internet using the computers 142. The mortgage auction process routine 108 transmits borrower profiles to the lenders 140 for the borrowers 130 that satisfy the specified borrower criteria. The lenders 140 bid for the borrowers' file on a flat fee basis. In this secondary auction, the mortgage auction process routine 108 designates the lenders 140 with the highest flat fee bids as the winners for those particular borrowers. Both the borrowers 130 and the lenders 140 receive notification of secondary auction results. Winning lenders 140 receive copies of the borrower's file corresponding to the winning bid.

If some of the borrowers 130 did not receive any bids from lenders 120, they comprise the group of borrowers 150. The mortgage auction process routine 108 negotiates with one or more lenders 160 regarding the files of the borrowers 150. The mortgage auction process routine 108 may designate the lender that agrees to purchase a collection of these borrowers' files as the winner. Because the negotiation with lenders 160 may be manual, the lender may be connected to the Internet 115. The auction process routine 108 may notify borrowers 150 that receive a bid via electronic mail using the computers 152.

FIG. 2A is a logic flow diagram illustrating the operation of the mortgage auction process routine 108 that controls the operation of the mortgage auction process system 100. In routine 202, the mortgage auction process routine 108 prepares for the primary auction. This process generally includes completing initial tasks relating to the auction such as contacting potential participants. Routine 202 is described in greater detail with reference to FIG. 3A. Routine 202 is followed by routine 204, in which the mortgage auction process routine 108 prepares the consumer for the primary auction. This process includes such tasks as obtaining an application from a borrower. This routine is described in greater detail with reference to FIGS. 4-9D.

Routine 204 is followed by routine 206, in which the mortgage auction process routine 108 creates a consumer profile for each consumer that submitted an auction application. This routine includes the financial status of the consumer and is described in greater detail with reference to FIG. 10A. Routine 206 is followed by routine 208, in which the mortgage auction process routine 108 prepares lenders for the primary auction. This routine includes assessing the lenders' bidding strategies and is described in greater detail with reference to FIGS. 11A-

15D. After preparing lenders for the primary auction in routine 208, the mortgage auction process routine 108 activates the lenders' accounts in routine 209 if they satisfy some predetermined criteria. This routine is described in greater detail with reference to FIG. 16.

Routine 209 is followed by routine 210, in which the mortgage auction process routine  
5 108 conducts a primary auction where lenders competitively bid on an anonymous borrower's profile. This routine is described in greater detail with reference to FIGS. 17A-17C. The routine 210 is followed by step 212, in which the mortgage auction process routine 108 determines if all of the borrowers that participated in the primary auction received bids from lenders. If all of these borrowers received bids, the "YES" branch is followed and the  
10 mortgage auction process routine 108 to the "END" step.

If the "NO" branch is followed, the mortgage auction process routine 108 notifies borrowers and borrowers in step 214 of the primary auction results. Though this notification may be in the form of an electronic mail message that indicates the borrower has been placed in a secondary auction, the notification may be in another form of communication, such as  
15 facsimile. Referring now to FIG. 2B, the screen 250' for the sample electronic mail message 250 is illustrated. Screen 250' includes conventional user entry data fields 250a for entering an e-mail address, subject, and the like. It also includes a text window 250b for entering the body of the electronic mail message 250. This screen 250' further includes buttons "Cancel" and "Save" for canceling and saving, respectively, the electronic mail message 250. Screen 250'  
20 further includes a tab bar 276 that allows the user to select various applications such as home; myHomePlanner; my activity; company information; privacy, and to contact us.

Step 214 is followed by routine 216, in which the mortgage auction process routine 108 prepares for a secondary auction for borrowers who either did not participate or receive bids in the primary auction. This routine may include gathering new lender bidding strategies and is  
25 described in greater detail with reference to FIG. 18.

Routine 216 is followed by routine 218, in which the mortgage auction process routine 108 conducts a secondary auction where lenders competitively bid on anonymous borrowers' loans on a flat-fee basis. This routine designates a winning lender and is described in greater detail with reference to FIG. 19. The routine 218 is followed by step 219, in which the  
30 mortgage auction process routine 108 determines if all of the borrowers that participated in the secondary auction received bids from lenders. If all of these borrowers received bids, the "YES" branch is followed and the mortgage auction process routine 108 continues to the

"END" step. If the "NO" branch is followed, the mortgage auction process routine 108 notifies borrowers in step 220 who did not receive bids in the secondary auction. Typically, this notification may be in the form of an electronic mail message that indicates lenders are being contacted on behalf of the borrower. Step 220 is followed by routine 222, where the mortgage auction process routine 108 conducts private placement of the file of the borrower who received no loans in the secondary auction. This routine is described in greater detail with reference to FIG. 20. After conducting private placement, the mortgage auction process routine 108 continues to the "END" step.

FIG. 3A is a logic flow diagram illustrating routine 202 for preparing for a primary auction. Routine 202 begins following the "BEGIN" step shown on FIG. 2. In step 302, the mortgage auction process routine 108 generates an auction application for borrowers. This application is described in greater detail with referenced to FIGS. 7C-7D, and includes both personal and financial information.

Referring now to FIG. 3B, the query guidelines screen 360 includes various selector operators for identifying a lending institution's selection criteria for a borrower to enter an auction. In the exemplary embodiment, the query guideline screen 360 includes a plurality of discrete state selectors 363 for selecting borrowers within a particular state. Additionally, the query guidelines screen 360 includes data entry fields 365 to enter a loan acceptance range; data entry fields 366 to enter a credit score acceptance range; and data entry fields 367 to enter a loan-to-value acceptance range. The query guideline screen 360 further includes a plurality of selector operators 370 and 373 to enter the loan type and loan term of interest. The query guideline screen 360 further includes selector operator 375 to select the next desired action, tab bar 276 and buttons "Save Bid Profile", "Submit for Auction" and "Submit for Closeout".

Step 302 is followed by step 304, in which the mortgage auction process routine 108 contacts borrowers in hopes of convincing them to participate in the auction. The mortgage auction process routine 108 may contact borrowers by sending electronic mail to the subscribers of an automatic mailing list server. [In contrast, the mortgage process routine 108 may send an electronic mail message to a company representative prompting them to contact borrowers. This representative may contact borrowers via radio ads, television ads, banner ads, or out-going telemarketing, for example.] Alternatively, the mortgage process routine 108 may pause at step 304 entirely allowing it to be done by an individual.

Step 304 is followed by step 306, in which the mortgage auction process routine 108 generates a borrower criteria form that allows lenders to specify the qualifications for which they will consider granting a loan to a borrower. FIG. 3B illustrates a sample borrower criteria form 355 labeled "Query Guidelines" that prompts lenders to designate their bidding strategy.

5 In a similar manner, the mortgage auction process routine 108 contacts lenders at step 308. While any of the previous methods of communication are possible, a company representative may contact lenders through advertising in trade journals or through a general mailing. Step 308 is followed by the "CONTINUE" step 310, which returns to routine 204 shown on FIG. 2A.

10 FIG. 4A is a logic flow diagram illustrating preparing the borrower for the primary auction routine 204. Routine 204 follows routine 202 shown on FIG. 2A. In step 400, the mortgage auction process routine 108 presents to a consumer a Consumer Web Page, which is one of the mortgage auction pages 107.

Referring now to FIG. 4B, mortgage auction screen 450 is an exemplary embodiment  
15 of the electronic starting screen for beginning an electronic mortgage auction. There is included general text based instructions describing briefly the mortgage auction process. There are selection buttons "Apply Now", "Take a Test Drive" and "Sample Application" adapted to move the user upon selectivity to the respective applications. Additionally, there is provided an indicator with a selection button "GO" for new users to set up a new account, described in  
20 detail below with respect to FIG. 6B. Moreover, screen 450 further includes data entry fields 452 for registered users to enter their electronic mail address and password and another "GO" button. Screen 450 further includes the tab bar 276. Screen 450 further includes selectors 457 for moving to information regarding various applications such as mortgage auction, buying, selling and financing.

25 Step 400 is followed by step 402, in which the mortgage auction process routine 108 determines whether to run a test drive. The test drive allows a borrower, who is unsure whether or not to fill out the detailed application, to answer a few questions in order to determine how the borrower's application compares with traditional lending guidelines and/or how aggressively their lender will vie for their application. If a test drive is desired, the "YES"  
30 branch is followed to routine 404. In routine 404, the mortgage auction process routine 108 runs the test drive and displays a brief analysis of the inputted information. Routine 404 is

described in greater detail in reference to FIG. 5A. Routine 404 is followed by step 400. If the test drive is not desired, the "NO" branch is followed to step 406.

In step 406, the mortgage auction process routine 108 determines whether to display a sample application. If the mortgage auction process routine 108 will display a sample application, the "YES" branch is followed to step 408. In step 408, the mortgage auction process routine 108 displays a sample application that is exhibited with representative information. Step 408 is followed by step 400. If the mortgage auction process routine 108 will not display a sample application, the "NO" branch is followed to step 410.

In step 410, the mortgage auction process routine 108 determines if the borrower is a registered user. If the mortgage auction process routine 108 determines the borrower is not a registered user, the "NO" branch is followed to routine 412, in which the mortgage auction process routine 108 begins the site registration process. Routine 412 is described in greater detail in reference to FIG. 6A. After the registration information is obtained, routine 412 is followed by routine 414, in which the mortgage auction process routine 108 obtains the consumer's information. If the mortgage auction process routine 108 determines that the borrower is a registered user, the "YES" branch is followed to routine 414. Routine 414 is described in greater detail in reference to FIG. 7A. Routine 414 is followed by routine 416, in which the mortgage auction process routine 108 obtains the borrower's loan information. Routine 416 is described in greater detail in reference to FIG. 8A. Routine 416 is followed by routine 418, in which the mortgage auction process routine 108 obtains miscellaneous information. Routine 418 is described in greater detail in reference to FIG. 9A. Routine 418 is followed by the "CONTINUE" step 420, in which the routine returns to routine 206 of FIG. 2A.

FIG. 5A is a logic flow diagram illustrating an auction test drive routine 404 corresponding to exemplary auction test drive browser display screens illustrated in FIGS. 5B and 5C. Routine 404 follows from routine 402 shown on FIG. 4A. In step 500, the mortgage auction process routine 108 obtains the test drive application information. The test drive application typically requests the borrower to input loan information such as if the loan is for a purchase or a refinance, the estimated price of the house, the amount of the down payment, and the term of the loan payment. Additionally, the test drive application may request information about the borrower including the borrower's monthly income, credit rating, and total monthly

financial obligations. Step 500 is followed by step 502, in which the mortgage auction process routine 108 determines whether to submit the test drive application for analysis.

If the mortgage auction process routine 108 determines that the test drive application is not to be submitted, the "NO" branch is followed to step 506, in which the mortgage auction process routine 108 determines whether to reset the form. If the mortgage auction process routine 108 determines that the borrower desires to reset the form, the "YES" branch is followed to step 508, in which the form is reset with traditional methods. Resetting the form allows the mortgage auction process routine 108 to receive modified data into the test drive application. Step 508 is followed by the "CONTINUE" step 510, in which the routine is returned to step 400 of FIG. 4A. If the mortgage auction process routine 108 determines not to reset the form, the "NO" branch is followed to the "CONTINUE" step 510, in which the routine returns to step 400 of FIG. 4A.

If the mortgage auction process routine 108 determines that borrower wishes to submit the test drive application, the "YES" branch is followed to step 504, in which the mortgage auction process routine 108 displays an analysis of the test drive application. Referring now to FIG. 5D, test drive analysis screen 580 is an exemplary embodiment of feedback generated in response to the data entered in the test drive application. For example, a Loan-to-Value Analysis is conducted and the results displayed and described textually to the user. For a loan-to-value of less than 90 percent, the analysis may be positive. In contrast, the analysis results may recommend more money down for a loan-to-value of more than 95 percent. Alternatively, other numbers may be used as threshold values. Additionally, a debt-ratio analysis is conducted and the results are displayed textually to the user. The debt-ratio analysis may have associated thresholds too. Moreover, screen 580 includes a selector operator "Mortgage Auction" for selection such application and the tab bar 276. Step 504 is followed by the "CONTINUE" step 510, in which the routine returns to step 400 of FIG. 4A.

FIG. 6A is a logic flow diagram illustrating an account registration process routine corresponding to an exemplary account registration browser display screen illustrated in FIG. 6B. Referring now to FIG. 6B, account registration screen 650 provides an electronic account registration form with a plurality of registration data entry fields 655. For example, registration data entry fields 655 includes data entry fields for entering the registrants electronic mail address a password, verify the password field, and a password reminder field. The account registration screen 650 further includes a "Register Now" button for submitting a

registrants account registration. The account registration screen 650 further includes data entry fields 658 for registered users to enter their electronic mail address, password and a "GO" button to bypass the account registration. Additionally, the account registration screen 550 includes the tab bar 276.

5        Routine 412 follows step 410 shown on FIG. 4A. Turning now to FIG. 6A, in step 600, the mortgage auction process routine 108 obtains the borrower's electronic mail address. Step 600 is followed by step 602, in which the mortgage auction process routine 108 receives the password entered by the borrower. Step 602 is followed by step 604, in which the mortgage auction process routine 108 verifies that the borrower entered the correct password. Step 604  
10    is followed by step 606, in which the mortgage auction process routine 108 obtains a password reminder entered by the borrower. Step 606 is followed by step 608, in which the mortgage auction process routine 108 saves the registration submitted by the borrower. Step 608 is followed by the "CONTINUE" step 610, in which the routine returns to routine 414 of FIG. 4A.

15        FIG. 7A is a logic flow diagram illustrating obtaining the borrower's information routine 414 corresponding to exemplary profile input browser display screens illustrated in FIG. 7B, 7C, and 7D. Referring now to FIGS. 7B-7D, mortgage auction screen 750 is an exemplary embodiment of the electronic includes a selectivity operator 755 to select the purpose of the loan. For example, selectivity operators 755 can provide for entering selects  
20    regarding whether the loan is to purchase a new home. Furthermore, there is a user-selectable field 756 to identify whether a co-borrower is available. Additionally, there is a selection button "Next" to move to the next page of the electronic mortgage auction application. Additionally, mortgage auction screen 750 includes the tab bar 276 (FIG. 2B).

      In FIG. 7C, the borrower profile screen 760 displays and provides a plurality of data  
25    entry fields 765 identifying the borrower. For example, data entry fields 765 include a plurality of name data fields for entering the name of the borrower. Moreover there is a veteran data entry field to identify whether the borrower is a veteran. The borrower profile screen 760 includes data entry fields 767 for entering data related to monthly expenses such as, without limitation; mortgage information. The borrower profile screen 760 further includes the  
30    tab bar 276 (FIG. 2B).

      FIG. 7D includes a continued scrolled view of borrower profile screen 760. As can be seen, borrower profile screen 760 further includes data entry fields 770 for entering data



related to the original loan amount; for example. The loan term's data field may be provided as a drop down menu for selectivity and automatic entry of data. Borrower profile screen 760 further includes data entry fields 775 for entry of data identifying income information such as the source of income, current annual salary; other annual income; whether self-employed; and  
5 current occupation. Borrower profile screen 760 further includes data entry fields 780 for entry of data identifying employment history. For example, data entry fields 780 include fields for the employer's name, the employer's address, the employer's telephone and the employment length. Additionally, there is provided a button "Next/Save" for saving the information entered and moving to the next screen.

10 Routine 414 follows routine 412 and step 410 shown on FIG. 4A. Turning now to FIG. 7, in step 700, the mortgage auction process routine 108 receives the indicated purpose of the loan. Typical loan purposes include purchasing a new home, refinancing an existing home, refinancing an existing home to acquire cash, and obtaining a home equity line of credit.

Step 700 is followed by step 704, in which the mortgage auction process routine 108  
15 obtains the borrower's profile. Profile information may include the borrower's name, address, social security number, electronic mail address, date of birth, phone numbers, and other information such as if the borrower is a veteran. Step 704 is followed by step 706, in which the mortgage auction process routine 108 obtains the monthly expenses.

The monthly expenses information requested typically includes the rent or a mortgage  
20 payment, second mortgage payments, car payments, child support and alimony, monthly credit card and personal loan obligations. Step 706 is followed by step 708, in which the mortgage auction process routine 108 obtains the current mortgage information. The mortgage information requested typically includes the original loan amount, the loan terms, interest rate, current lender, origin date, and the balance on any second mortgage.

25 Step 710 is followed by step 708, in which the mortgage auction process routine 108 obtains the borrower's income information. Typical income information requested includes the borrower's source of income, annual salary, other annual income, and current occupation. Additionally, the mortgage auction process routine 108 may ask if the borrower is self employed and can verify all the income stated. Step 712 follows step 710, in which the  
30 mortgage auction process routine 108 obtains the employer information. Such information generally includes the company's name, work phone number, length of employment, and the employer's address. Additionally, information may be sought regarding the borrower's

previous employer and second previous employer. Step 714 is followed by step 716, in which the mortgage auction process routine 108 saves the entered information. Step 716 is followed by the "CONTINUE" step 718, in which the routine returns to routine 416 of FIG. 4A.

FIG. 8A is a logic flow diagram illustrating obtaining loan information routine 416  
5 corresponding to exemplary loan information input browser display screens illustrated in FIGS. 8B-8C. Referring now to FIGS. 8B-8C, property profile screen 850 includes user data entry fields 855 to enter information regarding a particular property to be financed by a new mortgage loan. For example, data entry fields 855 include a plurality of address data fields for entering the address of the property being financed and a plurality of data fields for entering  
10 the down payment amount, the homeowner's association fees, the estimated or actual purchase price, and whether there is a contract on the property. The data fields identified for the state and country may be provided in a drop-down window listing adapted for selectivity and automatic data entry. The property profile screen 850 includes mortgage information data entry fields 860 to enter data such as the new loan amount, loan term and loan type. The  
15 property profile screen 850 includes data entry fields 863 for entering information such as the purpose of the property purchase. Moreover, there is provided tab bar 276.

FIG. 8C illustrates other details of the property profile screen 850 and includes data entry fields 880. Data entry fields 880 are for entering information as to whether the property will produce rental income and the estimated monthly rental income. Data entry fields 880  
20 provide for entering whether a person has filed for bankruptcy over the past seven years personally or as a corporation and whether there are any outstanding and unsettled judgements for unpaid bills or taxes. Moreover, there is provided a data entry field to enter a closing date for the loan. Finally, there is a button "Next/Save" to save the data entered and to move to the next screen.

25 Turning to FIG. 8A, in step 800, the mortgage auction process routine 108 obtains the property information. Typical property information requested includes the address, property type including the number of stories for any condominium, down payment amount, and homeowner's association's fees. Additionally, the mortgage auction process routine 108 may query the borrower to determine if the borrower has the property under contract. Step 800 is  
30 followed by step 802, in which the mortgage auction process routine 108 obtains mortgage information. Such information typically includes the new loan amount, the loan term, the loan type, and the anticipated closing date. Optionally, the mortgage auction process routine 108

may determine if the borrower desires to minimize the up-front costs or minimize the interest rate. Also, if the property will not be the borrower's primary residence, the mortgage auction process routine 108 may determine if the property will be a second residence or a vacation home, if the property will be an investment property, and if the property will generate income and the monthly income amount. Additionally, the mortgage auction process routine 108 may determine if the borrower has had a bankruptcy in the last seven years or if the borrower has any outstanding or unsettled judgements. Step 804 follows step 802, in which the mortgage auction process routine 108 saves the loan information. Step 804 is followed by the "CONTINUE" step, in which the routine returns to routine 418 of FIG. 4A.

10 FIG. 9A is a logic flow diagram illustrating obtaining miscellaneous information routine 418. Referring now to FIG. 9B, the participation agreement screen 950 includes a participant agreement having text-based agreement and selection operators 956 to select based on the participant's interests for participation. Additionally, there is a selection field "Consumer Disclosure" to link to the consumer disclosure in FIG. 9D. Moreover, there is a  
15 window 960 for entering text-based comments or suggestions. Furthermore there are selection buttons "Accept", "Decline" and "Save For Later". Moreover, the tab bar 276 is provided.

In step 900, the mortgage auction process routine 108 provides a participation agreement for acceptance by the borrower. The agreement authorizes the borrower's loan application information and credit profile to be provided to lenders. However, the name, social  
20 security number, and contact information generally will not be provided except to the lender that submits the winning bid. The participation agreement also includes a consumer disclosure corresponding to an exemplary consumer disclosure illustrated in FIG. 9C.

Referring now to FIG. 9C, consumer disclosure screen 970 includes the text of an exemplary consumer disclosure. Moreover, a tab bar 276 is provided. The consumer  
25 disclosure includes a disclaimer of the warranties of merchantability and fitness for a particular purpose. The disclosure also indicates that no representation or warranty is made that an application will receive a bid. The disclosure further stipulates that the lender's offer is conditional upon a review of the information submitted and that the rate quoted is conditional on the borrower's strict adherence to the lock-in procedures.

30 Additionally, the mortgage auction process routine 108 may query the borrower about how the borrower heard about the Internet server 105 and elicit comments from the borrower. Step 900 is followed by step 902, in which the mortgage auction process routine 108 provides,

as part of the participation agreement, the authorization for the mortgage auction process routine 108 to obtain the borrower's credit report.

Step 902 is followed by step 904, in which the mortgage auction process routine 108 obtains an input regarding whether the borrower expects to purchase or refinance a house in the next four months or whether the borrower is simply exploring options. Step 904 is followed by step 910, in which the mortgage auction process routine 108 determines whether the borrower accepts the terms of the participation agreement.

If the mortgage auction process routine 108 determines the borrower does not accept the terms, the "NO" branch is followed to step 920. In step 920, the mortgage auction process routine 108 determines whether to save the application for later. If the application is to be saved for later, the "YES" branch is followed to step 922. In step 922, the mortgage auction process routine 108 receives an input that requests the application to be saved, and the mortgage auction process routine 108 saves the application. Step 922 is followed by the "CONTINUE" step 924, in which the routine 418 returns to routine 414 of FIG. 4A. If the application is not to be saved for later, the "NO" branch is followed to step 926. In step 926, the mortgage auction process routine 108 receives an input that declines the acceptance of the participation agreement. Step 926 is followed by the "END" step.

If the mortgage auction process routine 108 determines the borrower accepts the terms, the "YES" branch is followed to step 912. In step 912, the mortgage auction process routine 108 receives and accepts the terms of the participation agreement input. Step 912 is followed by step 914, in which the mortgage auction process routine 108 displays a current summary of the borrower's registration activities corresponding to an exemplary "My Activity" browser display screen illustrated in FIG. 9D. FIG. 9D illustrates an exemplary activity report screen 890 based on selection of the button "My Activity" on the tab bar 276. Items identified include existing applications and the status of such applications. This screen 890 provides for selection of other services such as "Mortgage Auction", "Property Analysis", and "MyHomePlanner." Step 914 is followed by the "CONTINUE" step 916, in which the routine returns to step 420 of FIG. 4A.

FIG. 10A is a logic flow diagram illustrating routine 206 for creating a loan summary. Routine 206 begins following routine 204 shown on FIG. 2A. In step 1000, the mortgage auction process routine 108 receives auction applications submitted by borrowers. To receive the auction application, the mortgage auction process routine 108 utilizes information collected

during routine 204, shown on FIG. 2A. As the borrower hits "Save", the mortgage auction process routine 108 almost simultaneously receives the submitted auction applications electronically.

Step 1000 is followed by step 1002, in which the mortgage auction process routine 108 orders credit reports for each borrower that submits an auction application. By accepting and submitting the application, borrowers authorize the mortgage auction process routine 108 to acquire a set of credit reports on behalf of the auction company. The set of credit reports may include one report from each of the three national credit agencies. Alternatively, a different number may be used.

In step 1004, the mortgage auction process routine 108 stores the borrower's information contained in the auction application and credit reports. The storing involves using a relational database that provides flexibility and a calculation tool. One characteristic of the design uses a globally unique identifier to enable a unique ID for stored information.

Step 1004 is followed by step 1006, in which the mortgage auction process routine 108 creates a borrower profile from the borrower information stored in step 1004. The borrower profile may include a large portion of the mortgage application, as well as scores from the borrower's credit report. But, it does not include identifying information regarding the borrower. For example, the loan summary may not include the borrower's age, race, or ethnicity.

FIG. 10B illustrates a display screen 1050 with a sample borrower profile. Referring now to FIG. 10B, loan summary screen 1050 includes extracted data from the information collected in routine 204. A link 1080 to view the borrower's credit report is included. For example the screen 1050 identifies extracted information related to monthly debt information 1085 such as mortgage/rent, car payment, personal loans, child support/alimony, credit cards, other loans and bankruptcy. The screen 1050 includes details 1083 such as debt ratios, gross annual salary; veteran status; self-employment; occupation and anticipated closing. The screen further identifies current mortgage information 1087. The screen further identifies property-specific information. Moreover, buttons "Back" and "Place Bid" to place a bid on the profile of a borrower. Though the display screen includes a link to the credit report, the displayed credit report does not include identifying information either. By omitting this type of information to allow anonymous bidding, lenders may bid on borrowers with minimal bias.

Step 1006 is followed by the "CONTINUE" step 1008, which returns to routine 210 shown on FIG. 2A.

FIG. 11A is a logic diagram for a routine 208 that prepares lenders for a primary auction. Routine 208 begins following routine 206 shown on FIG. 2A. In step 1102, the mortgage auction process routine 108 presents a general lender web page that facilitates lender browsing some mortgage auction pages 107. FIG. 11B is a display screen 1150 for the lender web page presented in step 1102. This step is followed by step 1104, in which the mortgage auction process routine 108 prompts the lender to designate if he or she is a first time user. If the lender is not a first time user, the "NO" branch is followed and the mortgage auction process routine 108 prompts the lender for identifying information, such as an electronic mail address and a corresponding password, in step 1106.

Step 1106 is followed by routine 1108, in which the mortgage auction process routine 108 displays the account activity corresponding to the lender information entered in step 1106. This routine is described in detail with reference to FIG. 12A. If the lender is a first time user, the "YES" branch is followed from step 1104 and the mortgage auction process routine 108 prompts the lender to enter an electronic mail address in step 1110. The mortgage auction process routine 108 also prompts the lender to enter a password, verify the password, enter a password reminder, and register in steps 1112-1118, respectively. Though steps 1110-1118 generally involve an electronic mail address and a password, they may be modified to prompt for a different kind of information.

Step 1118 is also followed by routine 1119, in which the mortgage auction process routine 108 prompts the lender to modify his company's profile. One skilled in the art will appreciate that the lender has not yet provided a company profile as of yet. As such, the execution of routine 1119 at this point prompts the lender to provide information regarding his company for the first time. This information may include business references as well as accounts payable information. Routine 1119 is described in detail with reference to FIG. 13A. Routine 1119 is also followed by routine 1108, in which the mortgage auction process routine 108 displays the account activity corresponding to the lender entered in step 1106.

Routine 1108 is followed by routine 1120, in which the mortgage auction process routine 108 prompts the lender for bidding criteria. This routine is described in detail with reference to FIG. 15A.

Routine 1120 is followed by routine 1122, in which the mortgage auction process routine 108 prompts the lender for bids. This routine is described in detail with reference to FIG. 16A. Routine 1122 is followed by step 1124, in which the mortgage auction process routine 108 processes the lenders' bids. In processing the lender bids, the mortgage auction process routine 108 stores the lenders' bids in a manner that identifies the associated borrower. Step 1124 is followed by the "CONTINUE" step 1126, which returns to routine 210 shown on FIG. 2A.

FIG. 12A is a logic diagram for a routine 1116 that displays an individual lender's account activity. Routine 1108 begins following step 1106 shown on FIG. 11A. In step 1201, the mortgage auction process routine 108 presents an individual lender's home page with multiple tabs that provide information regarding the lender's general status. These tabs may provide information regarding account information, mortgage auctions, appraisal/closing services, and log-in information. Typically, the account information portion of the web page is displayed when the page is presented in step 1201. FIG. 12B illustrates a display screen 1295 for the account information portion of the lender home page. It clearly displays company information, an electronic mail address and telephone number.

In step 1202, the mortgage auction process routine 108 prompts the lender to decide whether he wants to proceed to mortgage auction. If the lender indicates his desire by selecting the mortgage auction tab, the mortgage auction process routine 108 presents an auction status web page in step 1203 that summarizes the lender's position. This page may list the number of auction applications the lender may have won, the status of the auctions, and the number of bids the lender placed. Alternatively, other factors may be displayed on this page such as previous bid amounts.

FIG. 12C illustrates a sample display screen for the auction summary page presented in step 1203. The screen 1296 displays a window 1296a with a column setup. The window 1296a identifies details such as auction type, status of the auction and last changes with a date-time stamp. The mortgage auction status screen 1296 further identifies details 1296b such as whether the lending institution has any winning applications, winning closeout applications, any winning no-bid applications and identifies bids if any. The mortgage auction status screen 1296 further includes links 1296 to proceed to the mortgage auction block or modify the company profile.

Step 1203 is followed by step 1204, in which the mortgage auction process routine 108 prompts the lender to decide whether he wants to modify his company profile. If a lender does not manually indicate his desire to modify, the "NO" branch is followed to step 1205. Otherwise, the mortgage auction process routine 108 proceeds to routine 1119 that prompts the lender to modify his company's profile. Routine 1119 is followed by step 1205, in which the mortgage auction process routine 108 prompts the lender to decide whether to proceed to the auction block. Step 1205 is followed by the "CONTINUE" step 1208, which returns to routine 1120 shown on FIG. 11A.

If at step 1202 the lender elects not to proceed to mortgage auction, the mortgage auction process routine 108 prompts the lender to decide whether he wants to proceed to the appraisal/closing services section of the mortgage auction pages 107. A lender that manually indicates his desire to proceed by pressing the appraisal/closing tab causes the "YES" branch to be followed. Although tabs are described, any alternative method of changing web pages may be used.

Step 1210 is followed by step 1212, in which the mortgage auction process routine 108 gives the lender access to a multitude of services through a set of web pages. The services available to a lender in step 1212 may include flood services, appraisals, title services, loss mitigation, and closing services to name a few. Lenders may register for these services by completing forms available within the lender's individual home page.

FIGS. 12D-12E are display screens illustrating sample registration forms that the mortgage auction process routine 108 may use to prompt a lender to register for the services available in step 1212. Referring now to FIG. 12D, appraisal and closing registration screen 1280 includes a plurality of data entry fields 1285 to enter contact information of a lending institution. Such contact information may include first name, last name, company name, address lines, city, state, country, county, telephone numbers, electronic mail address. Additionally, there is provided selector operators 1290 to identify how the registrant became aware of the services. Moreover, there is provided buttons "Continue" and "Clear". Referring now to FIG. 12E, appraisal and closing agreement display screen 1299 includes a window 1299a to display the appraisal and closing license agreement. There is provided selector operators 1299b to enter acceptance and buttons "Register" and "Clear".

After step 1212, the mortgage auction process routine 108 returns to step 1202. If the lender does not proceed to appraisal/closing at step 1210, the "NO" branch is followed to step



1216. In step 1216, the mortgage auction process routine 108 prompts the lender to indicate whether he desires to modify his log-in. If the lender chooses to modify the login, he may activate a select on the web page, such as a tab. This activation causes the mortgage auction process routine 108 to follow the "YES" branch to step 1218. In step 1218, the mortgage  
5 auction process routine 108 prompts the lender to make changes to his log-in by providing data-input fields on a web page.

FIG. 12F illustrates a display screen with data-input fields that allow lenders to modify their log-in. In FIG. 12F, the modify account screen 1297 includes a plurality of data entry fields 1297a to enter new information such as a new password and electronic mail address.  
10 Additionally, the modify account screen 1297 includes a button "Update Account". After a lender enters new information, he may select "Update Account" causing the mortgage auction process routine 108 to accept his modifications and alter his log-in. This action by the mortgage auction process routine 108 corresponds to step 1220. After step, 1220 the auction routine returns to step 1202. From step 1202, the Mortgage auction process routine 108 may  
15 progress through routine 1108 as dictated by the lender.

FIG. 13A is a logic diagram for a routine 1119 that prompts a lender to modify his company profile. Routine 1119 begins following either step 1118 shown on FIG. 11A or from the "YES" branch of step 1204 shown on FIG. 12A. One skilled in the art will appreciate that this routine functions essentially identically to the routine 1119 shown as following step 1118  
20 on FIG. 11A. For the sake of brevity, this routine will only be described once in this document.

In step 1302, the mortgage auction process routine 108 presents a web page with various tabs that enable "jumping" among linked pages. Each of the pages may be include a different aspect of the company's profile, such as contact, payment, company, and reference  
25 information. In addition, a page may include a lender participation agreement.

FIGS. 13B-13C illustrate display screens 1350 for a sample web page corresponding to contact information. The contact information screen 1350 includes a plurality of data entry fields 1357 to enter contact information, a plurality of data entry fields 1358 to enter secondary contact information, and a plurality of data entry fields 1359 to enter account payable account  
30 information. This screen further includes a plurality of selector operators 1360 allowing a user to select from the displayed list associated with the selector operators 1360 the source of referral. Furthermore, the contact information screen includes the button "Next/Save."

FIGS. 13D-13H are sample screens corresponding to payment information, company information, reference information, and a participation agreement. Referring now to FIG. 13D, payment information screen 1370 includes a data entry field 1371 for the method of payment such as credit card, check, etc. The data entry field 1371 is a drop down menu window for selectivity and automatic entry. Further includes are a plurality of bank draft data entry fields 1375 to enter bank draft information such as bank name, account/draft/ACH, transit code, branch location, name on account, routing number and contact information. Additionally, there is included credit card data entry fields 1378 to enter credit card information such as credit card type, credit card number, name on the card, expiration data, billing address. There is a button "Next/Save" to save the entered information.

Referring now to FIGS. 13E-13F, company information screen 1380 includes a plurality of data entry fields 1382 to enter company information such as the name and address. Fields 1382 include a field for the company website and a window for a company profile. Company information screen 1380 further includes a plurality of data entry fields 1385 for entering information related to pending information with the company, legal business name, SIC code, taxpayer ID, "D & B" number and "D & B" rating. There are a plurality of data entry fields 1386 to enter parent company information including the name and address. There are data fields 1387 to enter number of employees, the headquarters state license number, monthly dollar volume and the number of years in business. As best seen in FIG. 13F, company information screen 1380 includes a plurality of data entry fields 1388 to identify credit score, maximum back end ratio, loan to value ratio, and other details. The plurality of data entry fields 1388 further includes fields to enter information regarding whether the company originates second mortgages and home equity loans; participates in government programs and loan to value loans. The company information screen 1380 also includes a plurality of selector operators 1389 to select represented states. Furthermore, there is provided button "Next/Save".

Referring now to FIG. 13G, reference screen 1390 includes a plurality of data entry fields 1392 to enter references. Furthermore, there is provided a button "Next/Save". Referring now to FIG. 13H, the lender participation screen 1395 includes display window 1396 for displaying the textual participation agreement. Additionally, there is provided buttons "Accept" and "Decline".

In step 1302, the mortgage auction process routine 108 prompts a lender to decide whether he wants to modify his profile. If a lender manually indicates a decision to modify, the "YES" branch is followed to step 1303. A lender may manually indicate his decision by selecting the appropriate tab. In step 1303, the mortgage auction process routine 108 prompts the lender to enter contact the contact information by providing a data entry field on the web page. Step 1303 is followed by step 1304, in which mortgage auction process routine 108 saves the information entered and returns to the "BEGIN" step for the routine 1119.

In step 1306, the mortgage auction process routine 108 prompts the lender to decide if he wants to modify his method of payment. If a lender selects a payment tab to indicate his desire to change, the "YES" branch is followed. Step 1306 is followed by step 1308, in which the mortgage auction process routine 108 prompts the lender to enter new payment information. At this step, a lender may choose a different credit card, for example. In step 1310, the mortgage auction process routine 108 saves the new method of payment and returns to the BEGIN step for routine 1119.

In step 1312, the mortgage auction process routine 108 prompts the lender to decide if he wants to modify company information. As in previous steps, the lender may manually indicate his desire by selecting an appropriate tab. If this is done, the "YES" branch is followed to step 1314. In step 1314, the mortgage auction process routine 108 prompts the lender to enter the company information that he desires to change. FIG. 13F illustrates a display screen corresponding to a web page where lender may modify his company's information according to step 1314. Step 1314 is followed by step 1320, in which the mortgage auction process routine 108 stores the changes and returns to the BEGIN step for routine 1119.

In a similar manner, the mortgage auction process routine 108 prompts the lender to decide if he wants to modify his references in step 1322. If a lender decides to modify his references, the "YES" branch is followed. The mortgage auction process routine 108 then prompts him to enter the new references in step 1324 and saves this information in step 1326. The mortgage auction process routine 108 returns to the "BEGIN" step for routine 1119 upon completion of step 1326. FIG. 13G illustrates a display screen for a web page where a lender can modify his company's references.

Alternative, the "NO" branch may be followed from step 1322 to step 1328. In step 1328, the mortgage auction process routine 108 prompts the lender to review the lender

participation agreement. One skilled in the art will appreciate that another step may be included between steps 1322, 1328 that causes a lender to view the lender agreement by pressing an input select, such as a tab. FIG. 13H illustrates a sample display screen where a lender may view the lender participation agreement.

5 In step 1332, the mortgage auction process routine 108 prompts the lender to accept the participation agreement. If a lender manually indicates acceptance, the "YES" branch is followed. A lender may manually indicate acceptance by selecting a link. Then the mortgage auction process routine 108 enters the acceptance in step 1334. Otherwise, the mortgage auction process routine 108 follows the "NO" branch and returns to the "BEGIN" step for the  
10 routine 1119. Step 1334 is followed by the "CONTINUE" step 1336, which returns to routine 1205 shown on FIG. 12.

FIG. 14A is a logic diagram for a routine 1120 that prompts a lender to enter bidding criteria. Routine 1120 begins following step 1108 shown on FIG. 11A. In step 1401, the mortgage auction process routine 108 presents a web page that allows the lender to enter  
15 specifics regarding his bidding approach. Step 1401 is followed by step 1402, in which the mortgage auction process routine 108 prompts the lender to decide the type of bidding, such as bulk bidding. Bulk bidding enables a lender to bid on multiple loan summaries without reviewing them so long as they meet the specified criteria.

If the lender opts to bid in bulk, the "YES" branch is followed to step 1404. In steps  
20 1404-1408, the mortgage auction process routine 108 prompts the lender to enter his bid in the form of interest rate, fees, and discount points. Alternatively, other types of bidding factors may be used such as the time required to "close" a loan. One skilled in the art will appreciate that a decision step may be added between step 1402 and step 1404. If added, this step could prompt a user to decide whether this bid is for the primary auction, secondary auction, or  
25 private placement. If a lender elects the primary auction, the mortgage auction process routine 108 would continue to step 1404. Otherwise, the mortgage auction process routine 108 could continue to other steps not included to enter flat fee bids for either the secondary auction or private placement.

Alternatively, a lender may elect not to bid in bulk causing the "NO" branch to be  
30 followed to step 1412. In steps 1412-1426, the mortgage auction process routine 108 prompts the lender to specify his bidding criteria. This criteria includes geographical region, loan amount, range of credit score, loan to value ratio, loan terms, and income verification.

FIGS. 14B-14C illustrate display screens 1460 for a sample web page involving a lender's bidding criteria. Referring now to FIGS. 14B-14C, the auction bulk bidding screen 1460 includes a plurality of bidding data entry fields 1463 to enter a bid for available applications. Bidding data entry fields 1463 include the interest rate, the legal fee, the processing fee, the underwriting fee, the document preparation fee, the appraisal fee, the origination fee and discount point. The auction bulk bidding screen 1460 further includes a plurality of state selector operators 1465 to enter the state location for identify the applications of that state. There is a selector 1465 which when enabled will show applications of all states. The auction bulk bidding screen 1460 further includes a pair of data entry fields 1466 to enter and identify a loan acceptance range a pair of data entry fields 1467 to enter and identify a credit score acceptance range and a pair of data entry fields 1468 to enter and identify a loan to value acceptance range. The query guideline screen 1460 further includes a plurality of selector operators 1470 and 1473 to enter the loan types and loan terms of interest. The loan types and loan terms are similar to those identified in FIG. 3B. The screen 1460 further includes selector operators 1475 to enter a selection for constraints on income verification and buttons "Save Bulk Bid Profile" and "Submit for Bulk Bid".

FIG. 15A is a logic diagram for a routine 1122 that prompts an individual lender for a bid. Routine 1122 begins following routine 1120 shown on FIG. 11A. In step 1502, the mortgage auction process routine 108 prompts the lender to indicate whether he desires to bid in the primary or secondary auction. If a lender indicates the primary auction, the "YES" branch is followed to step 1506. In step 1506, the mortgage auction process routine 108 prompts the lender to indicate whether he desires to bid in bulk. If he does not indicate a bulk bid, the mortgage auction process routine 108 continues to step 1508. Otherwise, it proceeds to the "CONTINUE" step 1544 which returns to routine 1124 shown on FIG. 11A.

If a lender designates the secondary auction when prompted in step 1502, the "NO" branch is followed to step 1512. In step 1512, the mortgage auction process routine 108 prompts the lender to determine if he wants to modify his bidding guidelines before participating in the secondary auction. For example, a lender that won several financially rewarding loans in the primary auction may choose to broaden his criteria to less financially rewarding loans during the secondary auction. If he opts not to modify his guideline, the "NO" branch is followed to step 1508. Otherwise, the "YES" branch is followed to the "CONTINUE" step 1514, which returns to routine 1120 shown on FIG. 11A.

In step 1508, the mortgage auction process routine 108 presents loan synopses for each qualifying borrower. The loan synopses may include the loan term, loan type, and credit scores for both the borrower and co-borrower, if applicable. A viewing lender may quickly determine whether he wants to view the loan in detail.

5        FIGS. 15B-15C are display screens 1570 illustrating a list of loan synopses. The screen 1570 identifies applications in accordance with the state selection criteria. Furthermore, there is displayed extracted and/or generated information regarding a mortgage number, mortgage amount, loan term, and loan type. In the exemplary embodiment, each mortgage number has an associated link. Moreover, there is a plurality of selector operators 1575 to select an  
10       application such as to place a group bid. There is provided a button "Place Group Bid". Step 1508 is followed by step 1522, in which the mortgage auction process routine 108 prompts the lender to determine whether he wants to view the loan in detail.

Referring now to FIG. 15D, place auction bid screen 1580 includes a plurality of bidding data entry fields 1583 to enter a bid for a particular application. Bidding data entry  
15       fields 1583 include the interest rate, the legal fee, the processing fee, the underwriting fee, the document preparation fee, the appraisal fee, the origination fee and discount points. Furthermore, there is a button "Submit Bid". Below such button, there is provided a selected mortgage application window 1585 identifying those application in the auction which meet the established criteria. Such window 1585 lists information in a row/column format identifying  
20       the state, the loan amount and loan type.

If he opts to view the loan, "YES" branch is followed to step 1524 where the mortgage auction process routine 108 displays the loan. Otherwise, the "NO" branch is followed to step 1526. Step 1524 is followed by step 1526, in which the mortgage auction process routine 108 displays a bid screen. Alternatively, additional steps may be added between step 1524 and step  
25       1526, such that a lender may elect to view the borrower's credit report.

Step 1526 is followed by step 1534, in which the mortgage auction process routine 108 accepts bids. One skilled in the art will appreciate that this bid could include interest rates, discount points, and associated fees for the primary auction. Conversely, the bids could be done on a flat-fee basis during the secondary auction and private placement. In addition, group  
30       bids may be placed for multiple borrowers by selecting the desired loans based on the loan synopses presented in step 1508. FIG. 15D is a display screen illustrating a bid screen that may be used for a primary auction.

FIG. 16 is a logic diagram for a routine 209 that activates an individual lender's account activity. Routine 209 begins following step 208 shown on FIG. 2A. In step 1602, the mortgage auction process routine 108 processes information submitted by the lender. Typically, this information is submitted during the lender registration process as described with  
5 reference to steps 1110-1119 and routine 1119 shown on FIG 11A. In processing this information, the mortgage auction process routine 108 may store this information in a type of relational database.

Step 1602 is followed by step 1604, in which the mortgage auction process routine 108 controls the lender investigation. To increase the quality of lenders participating in the  
10 mortgage auctions, the credibility of the lender information may be reviewed by contacting some references. Creditworthiness may be investigated by contacting the lender's banking institutions. The mortgage auction process routine 108 may perform the entire task of investigating the lender. Alternatively, the mortgage auction process routine 108 may send a tickler to a representative who manually performs the investigation.

15 Step 1604 is followed by step 1608, in which the mortgage auction process routine 108 activates the lender's account. This activation enables lenders to visit web pages and begin participating in the auctions. Proceeding to step 1608 may be contingent upon the mortgage auction process routine 108 receiving favorable results during the investigation step 1604. Otherwise, an additional step may be added where the mortgage auction process routine 108  
20 contacts lenders of low credibility to either seek explanation of the issue or inform them that they will be unable to participate in the application. Step 1608 is followed by the "CONTINUE" step 1612, which returns to routine 210 shown on FIG. 2A.

FIG. 17A is a logic flow diagram illustrating a routine for conducting the primary auction routine 210. Routine 210 follows routine 209 shown on FIG. 2A. In step 1702, the  
25 mortgage auction process routine 108 receives the lender's bids. The bid generally consists of fees and a base interest rate. The bids are based upon the information provided to the lender from the auction borrower's loan applications. Step 1702 is followed by step 1704, in which the mortgage auction process routine 108 converts the bids to a comparative index. The comparative index is used to compare bids containing varying fees and interest rates to  
30 determine which bid is the best value for the auction borrower. Generally, the comparative index is calculated by converting the fees and the interest rate to an annual percentage rate (APR). An exemplary source code for converting lenders' bids into an annual percentage rate

is illustrated in FIGS. 17B-17C. Step 1704 is followed by step 1706, in which the mortgage auction process routine 108 identifies the lender with most favorable comparative index for the auction borrower, typically the lowest APR. Step 1706 is followed by step 1708, in which the mortgage auction process routine 108 designates the lender with the most favorable comparative index as the primary auction winner. Step 1708 is followed by step 1710, in which the mortgage auction process routine 108 notifies the winning lender. Notification is generally accomplished by sending electronic mail to the lender. Step 1710 is followed by step 1712, in which the mortgage auction process routine 108 charges the winning lender. Typically, the winning lender's pre-established account is debited. Step 1712 is followed by step 1714, in which the mortgage auction process routine 108 transfers the auction borrower's file to the winning lender. The file provides the lender with the means to contact the borrower 100 to finalize the loan. Step 1714 is followed by step 1716, in which the mortgage auction process routine 108 notifies the borrower of the winning bid. Step 1716 is followed by step 1718, in which the mortgage auction process routine 108 publishes the winning lender's bid on one of the mortgage auction pages 107. Step 1718 is followed by step the "CONTINUE" step 1720, in which the routine returns to step 212 of FIG. 2A.

FIG. 18 is a logic flow diagram illustrating preparing for the secondary auction routine 216. Routine 216 follows step 214 shown on FIG. 2A. In step 1802, the mortgage auction process routine 108 identifies auction borrowers 110 who did not receive bids on the primary auction. Typical reasons for an auction borrower 110 to not receive a primary auction bid include bad credit, bankruptcies, the loan to value is out of proportion to the credit, or the debt to income ratio is not acceptable. The mortgage auction process routine 108 also identifies those borrowers who were not included in the primary auction because the borrowers indicated that they will not be in the process of buying or refinancing a house in the next four months.

Step 1802 is followed by step 1804, in which the mortgage auction process routine 108 receives from the lenders their criteria for the financial qualifications preferred in the borrowers. Lenders may only wish to bid on borrowers that have certain credit scores and certain debt to income ratios, will put down a certain percentage of the value of the house, and possess other factors or combination of factors that may be desired. Step 1804 is followed by step 1806, in which the mortgage auction process routine 108 generates borrower profiles of the borrowers. These profiles provide financial information about a borrower typically including the credit history or a credit rating, a debt to income ratio, and a loan to value ratio.



Step 1806 is followed by step 1808, in which the mortgage auction process routine 108 identifies the borrowers that satisfy the lender's bidding criteria. The mortgage auction process routine 108 can compare the loan summary to the lender's established bidding criteria. Step 1808 is followed by step 1810, in which the mortgage auction process routine 108 transmits the borrower profiles of qualified borrowers. The mortgage auction process routine 108 transmits the profile to location that allows lender to view it and submit a corresponding bid. Step 1810 is followed by step 1812, in which the routine returns to routine 218 of FIG. 2A.

FIG. 19 is a logic flow diagram illustrating conducting secondary auction routine 218. Routine 218 follows routine 216 shown on FIG. 2A. In step 1900, the mortgage auction process routine 108 receives the bids from the lenders 140. Unlike the primary auction where the bid is an interest rate and associated fees to consummate the loan, the bid in the secondary auction is a flat monetary amount corresponding to a finder's fee. The finder's fee represents the business opportunity of consummating the loan with a borrower 130.

Step 1900 is followed by step 1902, in which the mortgage auction process routine 108 identifies the lender with the highest bid. Step 1902 is followed by step 1904, in which the mortgage auction process routine 108 designates the winning lender. Step 1904 is followed by step 1906, in which the mortgage auction process routine 108 notifies the lender of its successful bid. The notification is typically an electronic mail message. Step 1906 is followed by step 1908, in which the mortgage auction process routine 108 receives the winning lender's finder's fee. Generally, the charge is accomplished by debiting a pre-existing account. Step 1908 is followed by step 1910, in which the mortgage auction process routine 108 transmits the borrower's file to the winning lender. The borrower's file contains borrower's profile information that will enable the borrower to contact the closeout borrower 130. Step 1910 is followed by step 1912, in which the mortgage auction process routine 108 notifies the borrower of the secondary auction results. Typically, the notification is an electronic mail message stating that a financial professional, the winning lender, will contact the closeout borrower 130 to assist the closeout borrower in its attempt to receive a loan.

FIG. 20 is a logic flow diagram illustrating a private placement auction routine 222. Routine 222 follows step 220 shown on FIG. 2A. In step 2002, the mortgage auction process routine 108 collects the profiles of the borrowers 150 who did not receive a bid in the secondary auction. Step 2002 is followed by step 2004, in which the mortgage auction process

routine 108 determines if a lender specializes in the loan type of the borrower 150. Lenders 160 may desire to purchase a block of borrower files containing a preset number for a nominal preset fee. Optionally, the mortgage auction process routine 108 can present these profiles for viewing. Upon viewing, the profiles can be grouped into categories. Lenders can then be  
5 contacted to determine their interest in buying a group of borrower's files for a flat fee. Step 2004 is followed by step 2006, in which the mortgage auction process routine 108 determines if a lender 160 has enrolled to purchase a batch for a minimal pre-determined fee. Optionally, a negotiated amount with a lender 160 for a specific group of borrower files can be entered into the mortgage auction process routine 108.

10 Step 2006 is followed by step 2008, in which the mortgage auction process routine 108 assigns the agreed lender 160 as the winner. Step 2008 is followed by step 2010, in which payment is received for the block of borrower files. Step 2010 is followed by step 2012, in which the mortgage auction process routine 108 transfers the block of the borrower's files to the winning lender 160. Step 2012 is followed by step 2014, in which the mortgage auction  
15 process routine 108 notifies the borrowers that a loan professional will be contacting them to see if a loan arrangement might be possible. Step 2014 is followed by the "CONTINUE" step 2016, in which the routine is returned to the "END" step of FIG. 2A.

In view of the foregoing, it will be appreciated that the invention provides a mortgage auction process that significantly improves the current method of obtaining and negotiating  
20 mortgage loans. It should be understood that the foregoing relates only to the exemplary embodiments of the present invention, and that numerous changes may be made therein without departing from the spirit and scope of the invention as defined by the following claims. Accordingly, it is the claims set forth below, and not merely the foregoing illustration, which are intended to define the exclusive rights of the invention.

**CLAIMS**

The invention claimed is:

1. A method for electronically auctioning for a consumer's profile comprising the steps of:
  - 5 (a) providing, electronically, a loan auction application having a borrower summary and a property summary;
  - (b) creating, electronically, the consumer profile;
  - (c) bidding, electronically, during a bidding interval conditions for a loan on the borrower profile by a lender.
- 10 2. The method of claim 1 further comprising:
  - (a) creating, electronically, a population of lenders and associated bidding criteria;
  - (b) identifying a set of bidding lenders from the population of lenders based on the borrower profile with the highest bid; and
  - 15 (c) providing the set of bidding lenders the borrower profiles.
3. The method of claim 1 wherein the loan is a mortgage loan
- 20 4. The method of claim 2 wherein:
  - (a) the borrower profile includes a fee data entry; and
  - (b) an interest rate data entry.
- 25 5. The method of claim 1 further comprising:
  - (a) receiving a loan bid corresponding the loan auction application.
6. The method of claim 5 further comprising the steps of:
  - (a) receiving a plurality of loan bids wherein each loan bid corresponding to a distinct auction application;
  - 30 (b) converting all distinct bids to a comparative index; and,
  - (c) identify the lender with the lowest comparative index of all distinct loans.
7. The method of claim 6 wherein the step of (f) further includes the step of:

- (a) designating the lender with the lowest comparative index as the winner;  
and  
(b) notifying the borrower associated with the lender's bid of the winner's bid.

5

8. The method of claim 1 further comprising the steps of:

- (a) creating, electronically, a population of lenders and associated bidding criteria; and  
(b) identifying the absence of a bidding response during the bidding  
10 interval;  
(c) notifying a borrower of the absence; and  
(d) in response to step (b), bidding, electronically, during a second interval, a flat fee on the borrower profile by a lender.

15

9. The method of claim 8 further comprising the steps of:

- (a) identifying the absence of a flat fee bidding response during the second interval; and,  
(b) notifying the borrower of the absence of a flat fee bidding response.

10. A method for electronically auctioning a for a consumer's profile borrower  
20 comprising the steps of:

- (a) providing, electronically, a plurality of loan auction applications each having a borrower summary and a property summary;  
(b) creating, electronically, the consumer profile for the plurality of loan auction applications;  
25 (c) bidding, electronically, on more than one of the consumer profiles by a lender in a bulk bidding response.

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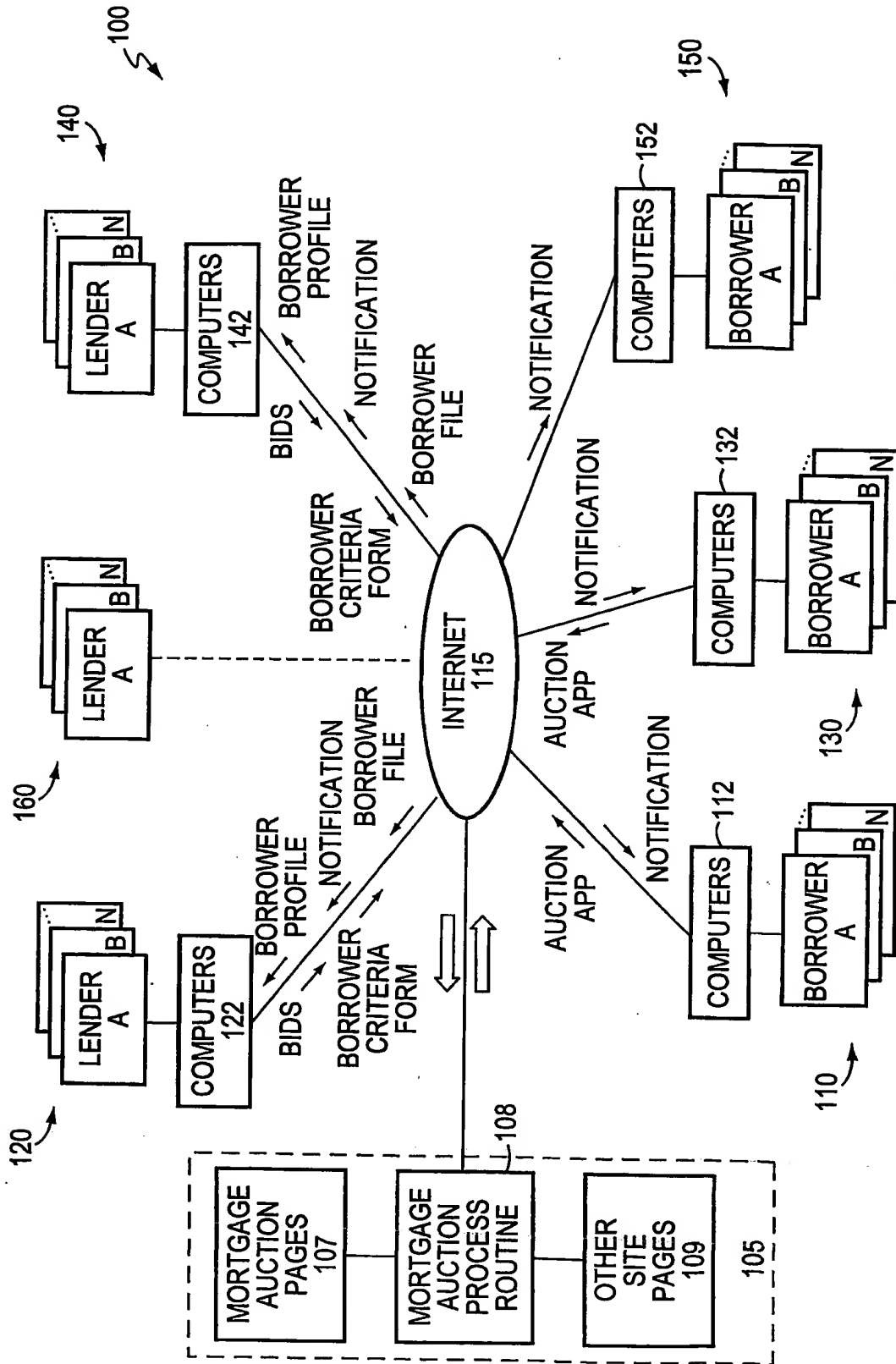


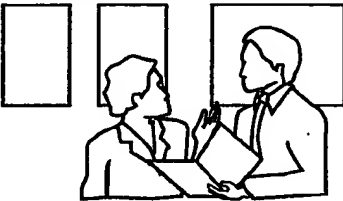
FIG. 1A

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180

AGENT	LENDERS	APPRAISERS	SERVICE PROVIDERS	HOME BUYERS	HOME SELLERS	COMMERCIAL
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FIG. 1B

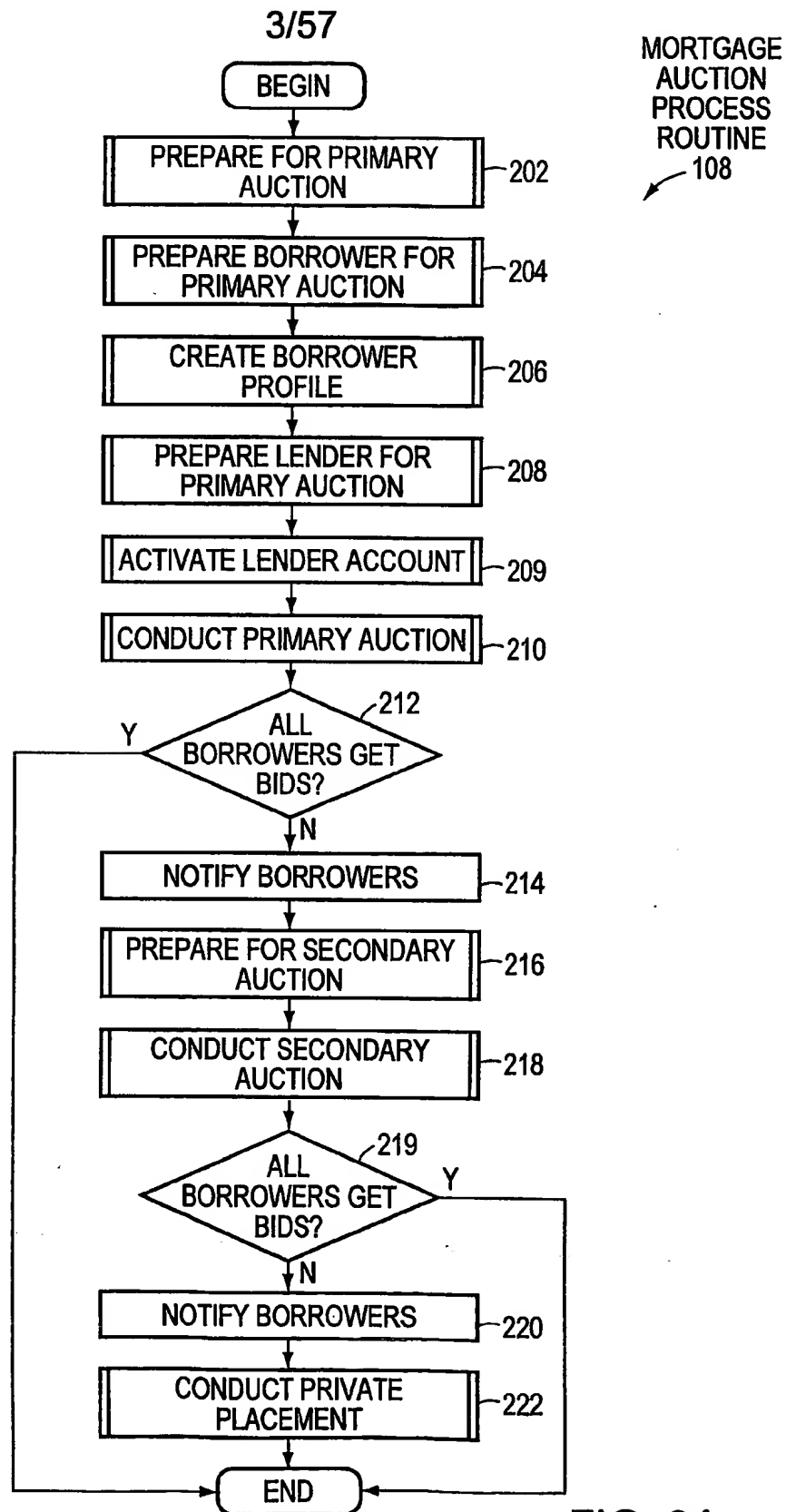


FIG. 2A

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☐ E-Mail Messages ☐ Administration E-Mail Administrator

Edit Message

Message ID  250a

Description

CC

BCC

Subject

Message Body

Dear %username:

As you know, your loan auction was scheduled to close today. Unfortunately, we have not received an appropriate loan package to fit your particular home financing needs. While there may be several reasons for this situation, it is generally an indicator that lenders need additional information about your particular request. In order to facilitate this exchange of additional information, we have moved your application to our secondary block or 'Auction Close-Out'

The Auction Close-Out is designed to allow lenders the opportunity to review auction applications that contain special needs or unique situations. Like Mortgage Auction, you are notified via e-mail of your winning lender. Your winning lender will then contact you directly to discuss your financing needs.

250b   
 250

Enter Date:

Last Change Date:

FIG. 2B



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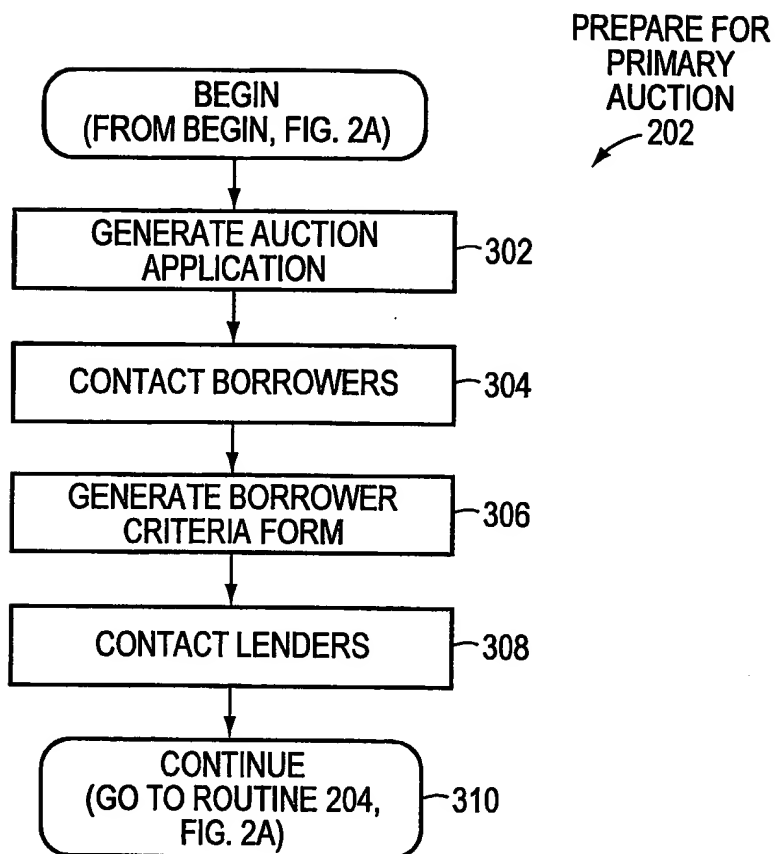


FIG. 3A

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My Activity

Query Guidelines

☐ Show All Applications

Select the State(s): 363

<input type="checkbox"/> AK	<input type="checkbox"/> AL	<input type="checkbox"/> AR	<input type="checkbox"/> AZ	<input type="checkbox"/> CA	<input type="checkbox"/> CO	<input type="checkbox"/> CT	<input type="checkbox"/> DC	<input type="checkbox"/> DE	<input type="checkbox"/> FL	<input type="checkbox"/> HI
<input type="checkbox"/> IA	<input type="checkbox"/> ID	<input type="checkbox"/> IL	<input type="checkbox"/> IN	<input type="checkbox"/> KS	<input type="checkbox"/> KY	<input type="checkbox"/> LA	<input type="checkbox"/> MA	<input type="checkbox"/> MD	<input type="checkbox"/> ME	<input type="checkbox"/> MI
<input type="checkbox"/> MN	<input type="checkbox"/> MO	<input type="checkbox"/> MS	<input type="checkbox"/> MT	<input type="checkbox"/> NC	<input type="checkbox"/> ND	<input type="checkbox"/> NE	<input type="checkbox"/> NH	<input type="checkbox"/> NJ	<input type="checkbox"/> NM	<input type="checkbox"/> NV
<input type="checkbox"/> NY	<input type="checkbox"/> OH	<input type="checkbox"/> OK	<input type="checkbox"/> OR	<input type="checkbox"/> PA	<input type="checkbox"/> RI	<input type="checkbox"/> SC	<input type="checkbox"/> SD	<input type="checkbox"/> TN	<input type="checkbox"/> TX	<input type="checkbox"/> UT
<input type="checkbox"/> VA	<input type="checkbox"/> VT	<input type="checkbox"/> WA	<input type="checkbox"/> WI	<input type="checkbox"/> WV	<input type="checkbox"/> WY					

☐ View all states

Enter Loan Amount Range: from \$  to \$  365

☐ Review all loan amounts 366

Enter Credit Score Range: from  to  367

☐ Review all credit scores

Enter Loan to Value Range: from % to % 375

☐ Review all Loan to Value ranges

Select Loan Type(s):

☐ Refinance My Mortgage and Get Cash Out 370

☐ 2nd Mortgage/Home Equity

☐ Purchase a New Home

☐ Refinance My Mortgage

Select Loan Term(s):

☐ 1 yr. ARM 373

☐ 3 yr. Fixed Then Adjustable

☐ 5 yr. Fixed Then Adjustable

☐ 7 yr. Fixed Then Adjustable

☐ 15 Year Fixed

☐ 20 Year Fixed

☐ 30 Year Fixed

Income Verification

☐ Yes ☐ No ☒ Both

Save Bid Profile Submit for Auction Submit for Closeout

FIG. 3B

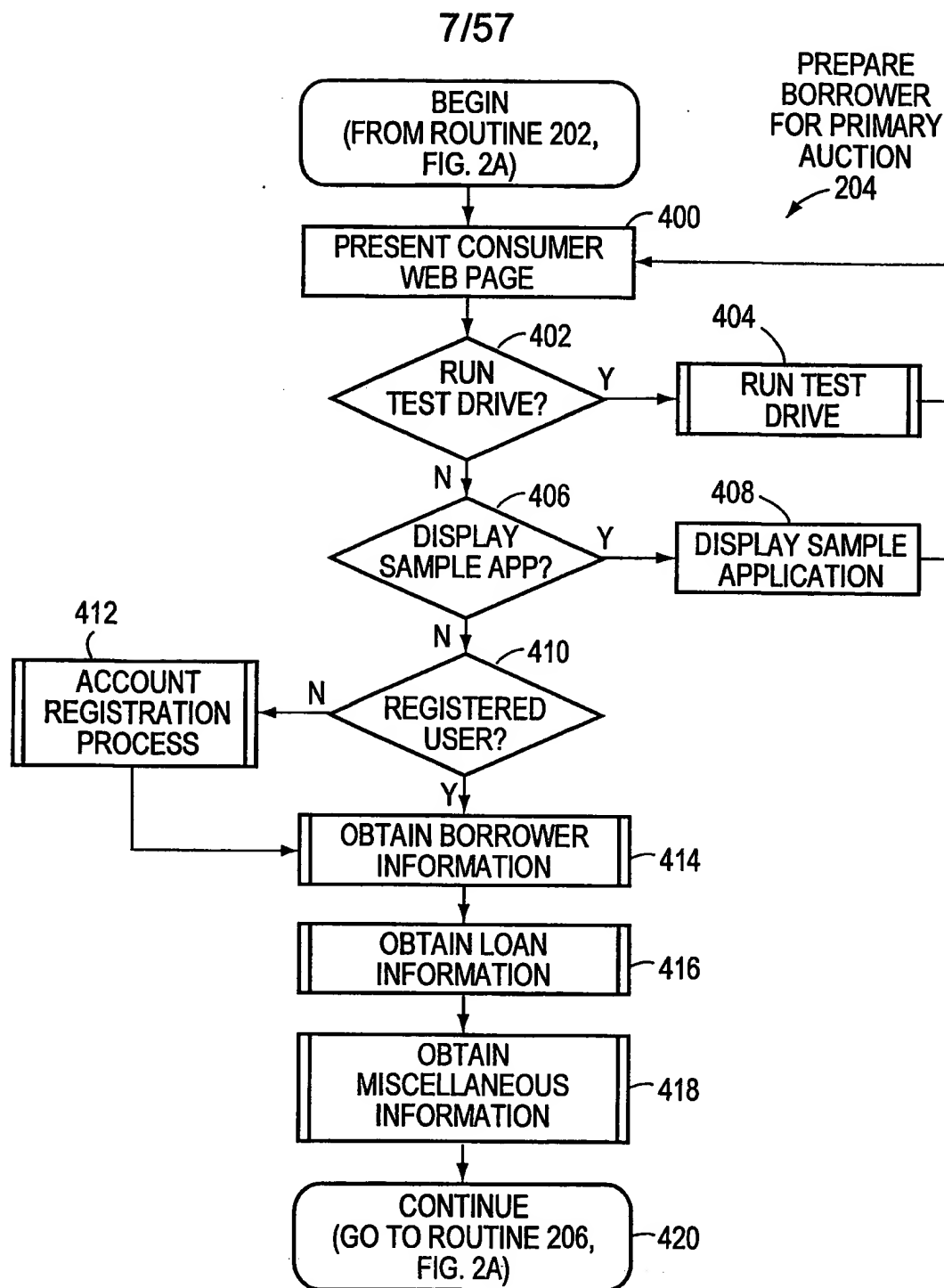



FIG. 4A

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*"How do you get hundreds of lenders to bid for your home loan? Right here at our free, no obligation, mortgage auction."*

## Mortgage Auction

Wouldn't it be great to submit one application to over 250 lenders? Sound impossible? Not with our Mortgage Auction. You get the best rate because our leading lenders bid head-to-head for your loan business in a real time auction. Just fill out ONE auction application, sit back, and your winning bid is on its way.


Getting Started In Our free Mortgage Auction is easy...

- 1 **You Apply**  
Simply complete one easy auction application at no cost or obligation.
- 2 **They Bid**  
Hundreds of lenders nationwide compete head-to-head for your loan.
- 3 **You Win!**  
You are notified of your winning lender via e-mail in as little as 24 hours.

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Sample Application

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Set up your free account now

Here's Why...  
Setting up a user ID and password enables you to view your winning bid and try our other great services.

.....

Registered Users  
LOGIN HERE

Account ID:

Password:

452

FIG. 4B

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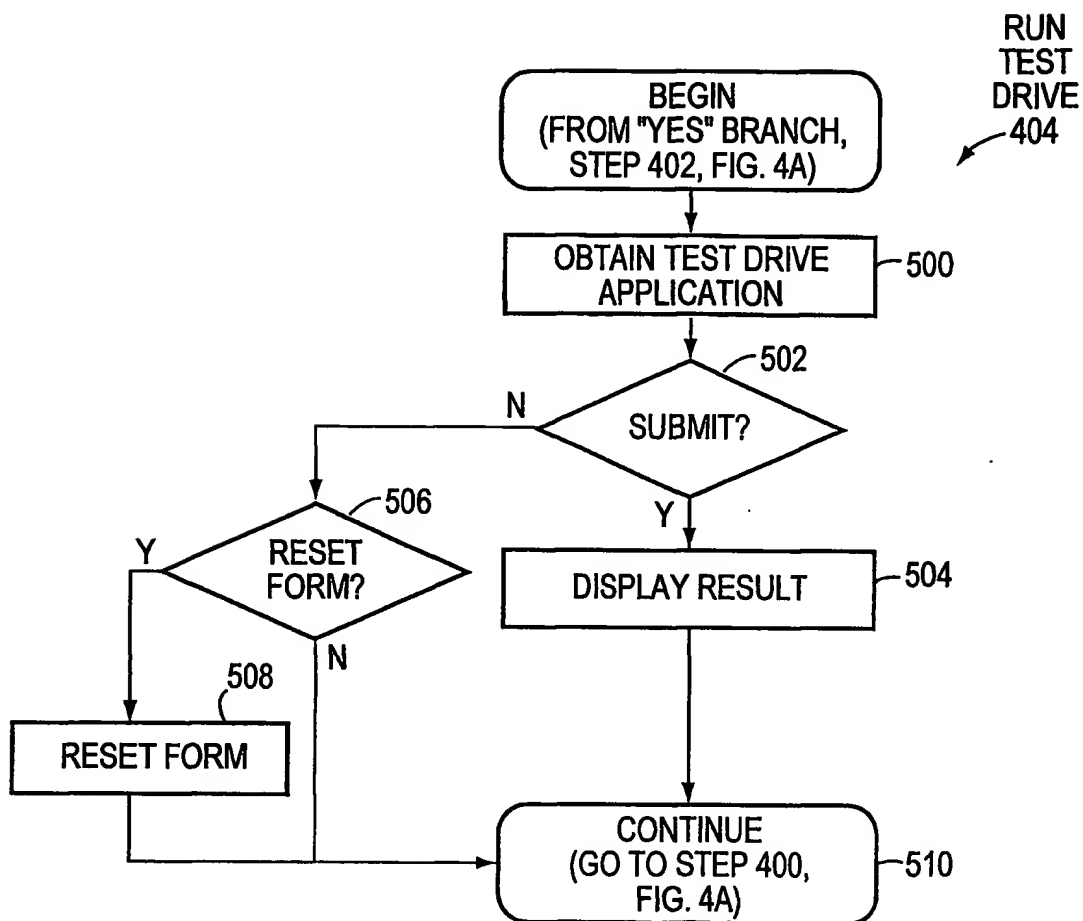


FIG. 5A

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Get Home Financing 550

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## Mortgage Auction

### Auction Test Drive

Not quite ready to participate in the Mortgage Auction, but curious as to how your application might fare? Simply answer a few simple questions about your current situation and anticipated financing needs and you will receive a brief analysis of how your request stacks up against traditional mortgage lending guidelines

### Test Drive Application

- What kind of loan are you looking for?
  - ☒ Purchase
    - Find a mortgage
  - ☐ Refinance/Home Equity
    - Refinance to get a lower rate
    - Refinance and get cash out
    - Home Equity/Line of credit
- What is the estimated price of your new home?
 

\$
- How much do you plan on putting down for your down payment?
 

\$
- Monthly income?
 

\$
- Tell us about your monthly obligations:
 

Total monthly rent or mortgage	\$	<input style="width: 150px;" type="text"/>
2nd mortgage	\$	<input style="width: 150px;" type="text"/>
Car payment	\$	<input style="width: 150px;" type="text"/>
Credit cards	\$	<input style="width: 150px;" type="text"/>
Personal Loans	\$	<input style="width: 150px;" type="text"/>
Other Loans or leases	\$	<input style="width: 150px;" type="text"/>
Child support/Alimony	\$	<input style="width: 150px;" type="text"/>
- Credit Assessment:

550

553

555

557

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FIG. 5B

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- ☒ Excellent credit
- ☐ OK credit
- ☐ Missed several payments
- ☐ Missed numerous payments

558

## 7. Loan Payment

- ☒ 30 year fixed
- ☐ 20 year fixed
- ☐ 15 year fixed
- ☐ 7 year adjustable rate mortgage
- ☐ 5 year adjustable rate mortgage
- ☐ 3 year adjustable rate mortgage
- ☐ 1 year adjustable rate mortgage

559

FIG. 5C

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easiest way to get the lowest  
rate - guaranteed!

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**Loan-to-Value (LTV) Analysis:**

Your application indicates that your Loan-to-Value is 90%, which is well within the traditional lending guidelines used by most lenders for the purchase or refinance of most owner-occupied homes.

However, lending guidelines do vary from lender to lender. Other factors, such as credit rating, and/or if the property being financed will be your primary residence are taken into consideration. In any case, by demonstrating the ability to make a down payment toward the purchase of your new home, or by only refinancing up to certain limits of your current equity, you will greatly increase your chances for success in the Mortgage Auction.

**Debt Ratio Analysis:**

Your anticipated mortgage request indicates that your BACK END DEBT RATIO, (the comparison of your outgoing debt payments as a percentage of your total income in addition to your anticipated mortgage amount) is 0%. Such a ratio generally falls within traditional lending guidelines.

**Credit Analysis:**

If the credit history information you have provided can be documented, your Mortgage Auction Application should be well received by our lenders. Although lenders take several factors into account when bidding in the Auction, credit history has proven to be one of the most important.

Before entering the Auction, you may want to verify the status of your credit by obtaining a copy of your credit report from one of the major reporting companies, including Experian, Trans-Union and Equifax.

I'd like to go to Mortgage Auction now.

FIG. 5D



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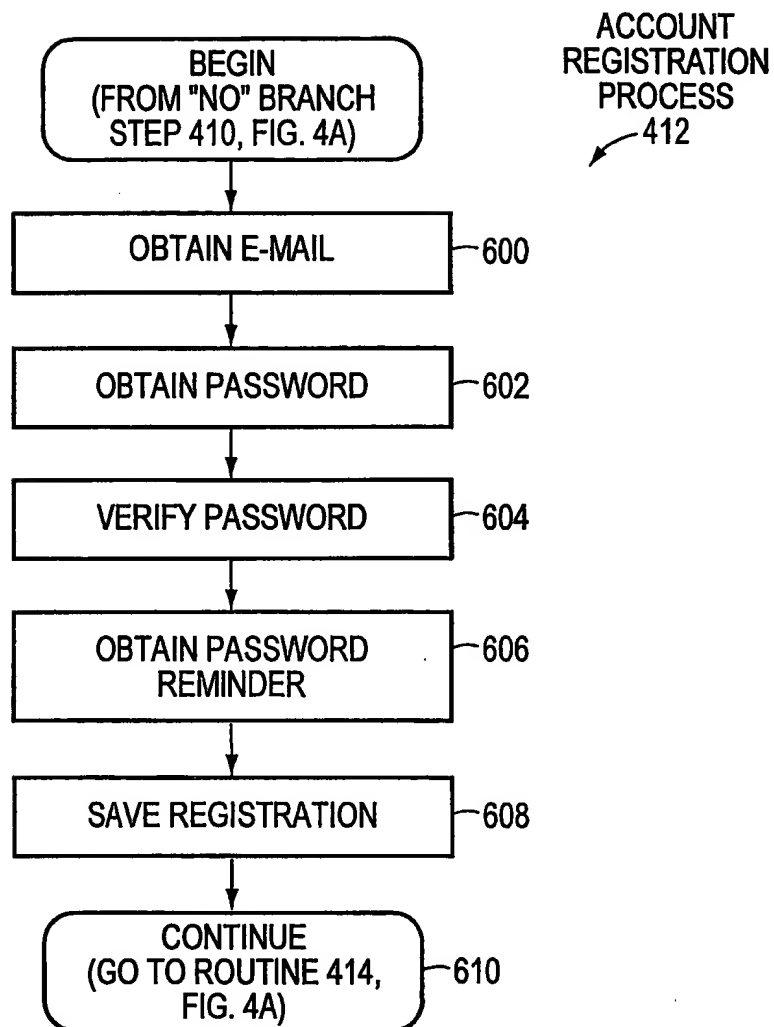



FIG. 6A

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**The First Step - Setting Up Your Account**

Once registered, you can access a multitude of services tailored to fit your needs - all with one easy login.

E-mail Address:

Password:

Verify Password:

Password Reminder:

Register Now

Registered Users  
**LOGIN HERE**

E-mail Address

Password:

658

655

FIG. 6B

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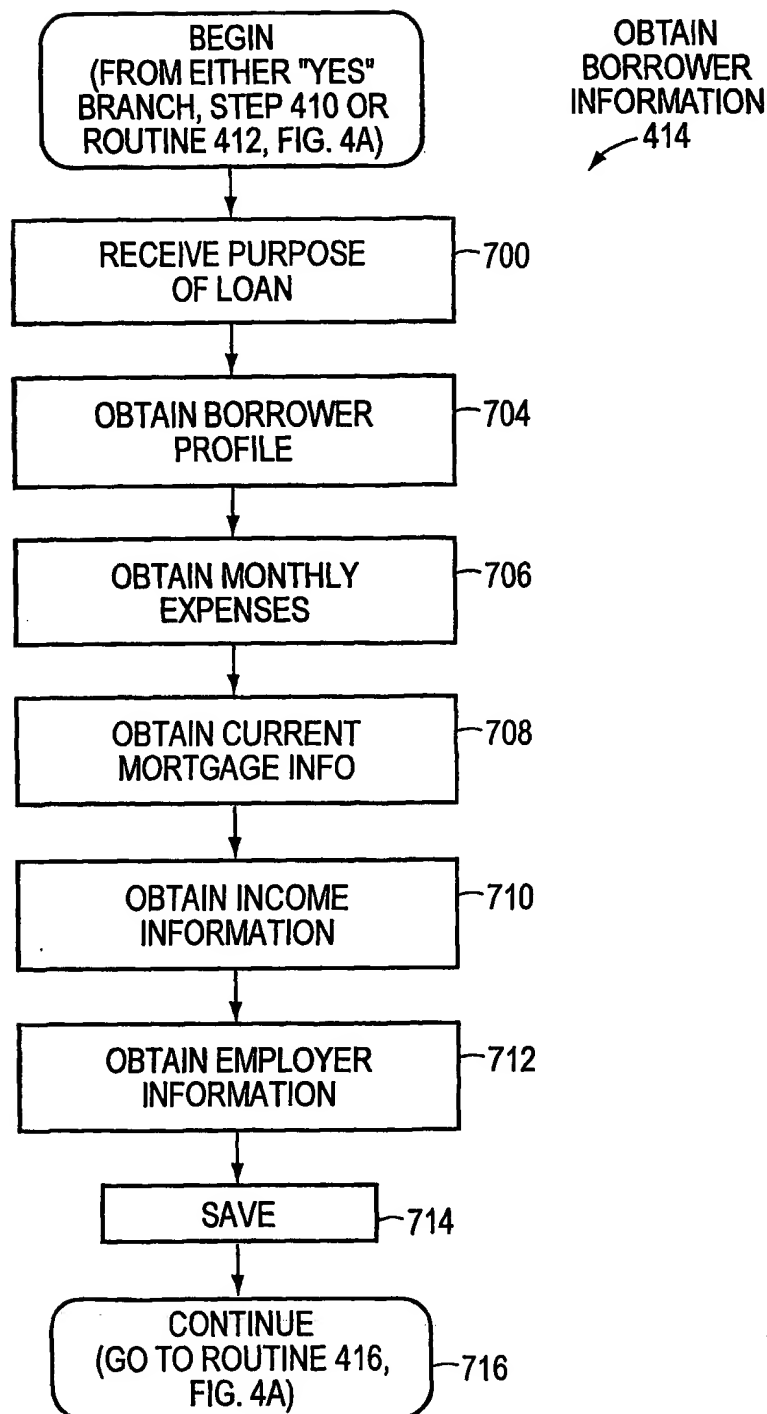


FIG. 7A


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750

## Mortgage Auction

### How Do I Get Started?

Start your application by selecting the purpose of the loan. You may create the application for a new address or an address that you may have already entered into our system. Get started by simply selecting the purpose of the loan. You can create a mortgage application for a new address or for an address that you may have already entered in our system.

### Create A New Mortgage Application

- 1 What is the purpose of this loan?
- 755 ☒ To purchase a new home.
- ☐ To refinance my existing home.
- ☐ To refinance my home and get cash out.
- ☐ For home equity/line of credit.
- 756 ☐ I Have a Co-Borrower.

NEXT ►



#### What you may need

- Monthly expenses
- Existing mortgage information
- Income information
- Current & previous employment information
- New property information
- Anticipated closing data
- Desired loan type & term

FIG. 7B

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Property Analysis

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Property Report now.Home ☐ MyHomePlanner ☐ My Activity ☐ Company Info ☐ Privacy ☐ Contact us☐ Borrower☒ Mortgage☒ Finish

Borrower Information

My Activity

Borrower Profile

\*Prefix

\*First Name  Middle Int.

\*Last Name  Suffix.

\*Street Number  \*Street Name

Apartment Number

PO Box  Route number

\*City  \*State

\*Zip  \*County

\*Home Phone  \*E-mail

\*SSN  \*Date Of Birth (mm/dd/yyyy)

\*Are you a veteran?

Monthly Expenses

Mortgage/Rent	\$ <input type="text" value="0"/>	Child Support/Alimony	\$ <input type="text" value="0"/>
2nd Mortgage Payment	\$ <input type="text" value="0"/>	Credit Cards	\$ <input type="text" value="0"/>
Car Payment	\$ <input type="text" value="0"/>	Other Loans	\$ <input type="text" value="0"/>
Personal Loans	\$ <input type="text" value="0"/>		

Current Mortgage Information (if applicable)

FIG. 7C

SUBSTITUTE SHEET (RULE 26)

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Original Loan Amount \$  Origin Date  770  
 Loan Terms  Choose a term  (mm/dd/yyyy)  
 Interest Rate  % Current Loan Balance \$   
 Current Lender   
 \*Second Mortgage   2nd Mortgage Balance \$

Income Information

\*Source of Income  Choose one   
 \*Current Annual Salary \$  .00 775  
 Other Annual Income \$  .00  
 \*Are you Self Employed?    
 \*Can you verify All Income?    
 \*Current Occupation

Please enter the most recent two years of Income/Employment History

Current / Most Recent Employer

\*Company Name   
 \*Phone  Extension   
 \*Length of Employment  Years  Months 780  
 \*Employer Address   
 \*City   
 \*State  Choose One   
 \*Zip

Previous Employer

\*Company Name   
 \*Phone  Extension   
 \*Length of Employment  Years  Months

Second Previous Employer

\*Company Name   
 \*Phone  Extension   
 \*Length of Employment  Years  Months

\* Denotes required field

Next/Save

FIG. 7D

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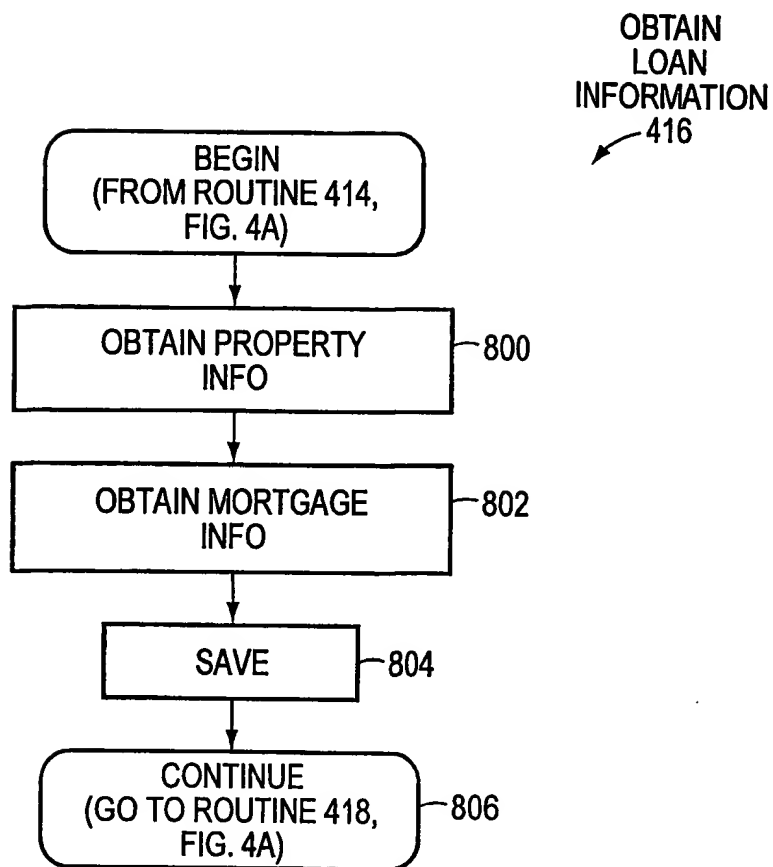


FIG. 8A

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**Borrower Profile**

☐ Borrower ☒ Mortgage ☒ Finish ☐ Auction Application

**Property Being Financed**

(Please use your current address if a new property has not been selected, or if you are refinancing your current home)

\*Street Number

\*Street Name

\*City

\*State  ▾

\*Zip

\*County  ▾

\*Property Type  ▾

If condo, number of stories  ▾

\*Down Payment Amount \$

Homeowner's Assoc Fees \$

\*Estimated/Actual Purchase Price \$

\*Have you put a contract on a property?  ▾

**Mortgage Information**

\*New Loan Amount (excludes borrower down payment)

\*Loan Term  ▾

\*Loan Type

I am seeking to minimize my up-front costs.  
or  
I prefer to pay up-front fees/points to minimize my  
interest rate.

☐ ☐

\*Will this be your primary residence?  ▾

If this will NOT be your Primary Residence

- Will it be a second residence or vacation home?  ▾
- Will it be an investment property?  ▾

FIG. 8B



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880  
↙

- Will it produce rental income?  ▾
- Estimated monthly rental income? \$
- \*Over the past 7 years, have you filed for bankruptcy protection either personally or as a corporation?  ▾
- \*Do you currently have any outstanding and unsettled judgement(s) against you for any unpaid bill(s) or taxes?  ▾
- \*When do you anticipate closing your loan?  ▾

\* Denotes required field.

FIG. 8C

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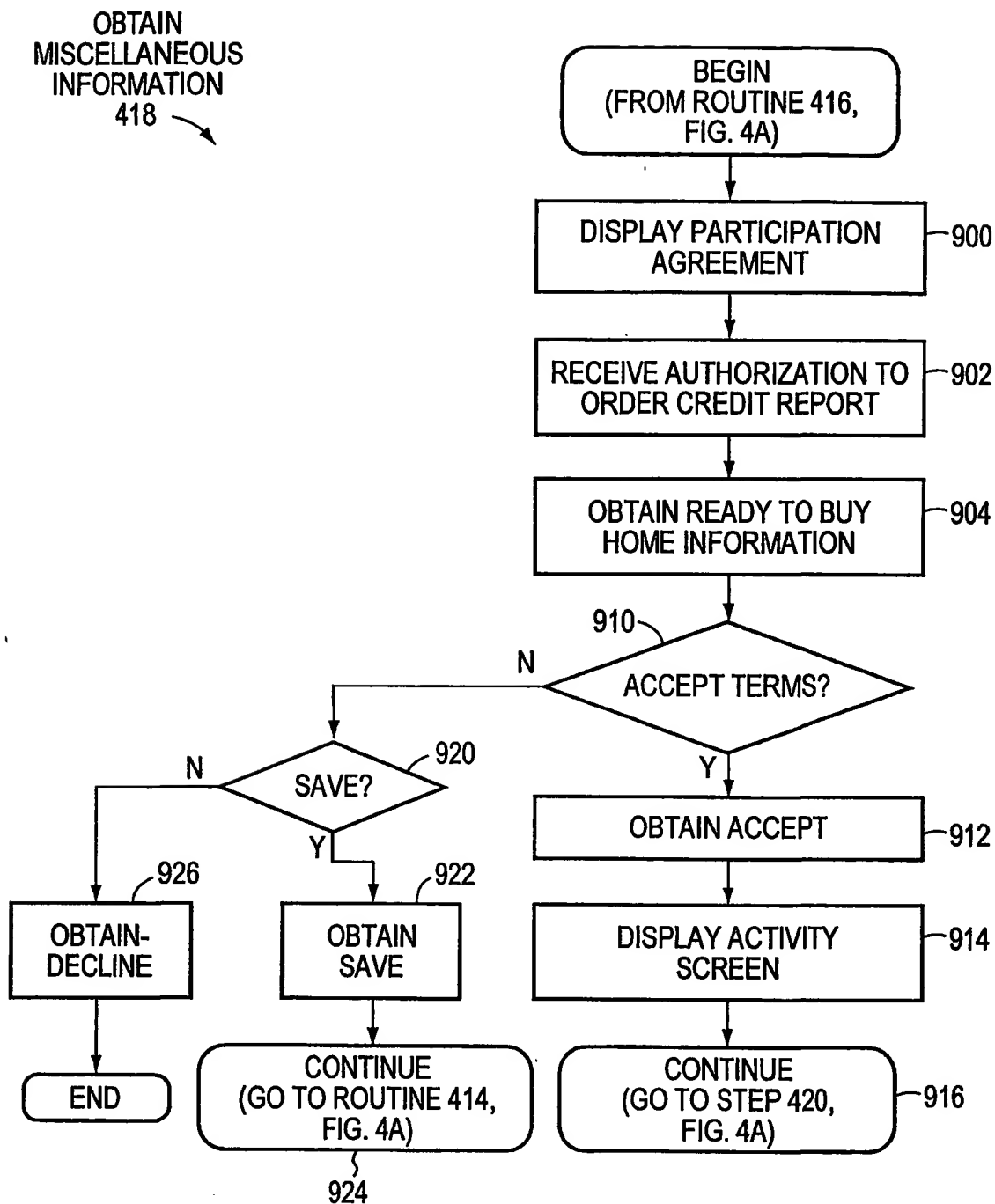


FIG. 9A

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☐ Borrower ☒ Mortgage ☒ Finish

My Activity  
Finishing Information

Participation Agreement

You have successfully completed the Auction Form however, to be placed on the auction block please read and agree to the following terms:

- Company.com's Mortgage Auction may request ONE credit report.
- When placed on the auction block, my loan application and credit profile (EXCLUDING my Name, SSN, and Contact Information) is provided to lenders for bidding. Only the lender that submits the winning bid will receive my complete loan package, including name, full credit report and contact information.
- The Consumer Disclosure.

956 ☒ I am ready to use the Auction to get the lowest rates and fees for my loan.  
(for those individuals that are ready to refinance, currently have or expect to have a contract to purchase a new home within the next four months, or need to borrow against the equity of their home.)

☐ I am still exploring my options, so I am simply curious to see what I can qualify for.  
(For those individuals that want to simply be pre-approved for their future home financing needs, but do not require a rate and fee quote.)

\*How did you hear about this site?

Please provide your comments and suggestions. If you have a question please go to Contact Us

960

In order to receive selected offers and information from qualified companies in related industries, please check here ☐

\* Denotes required field.

FIG. 9B

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## Consumer Disclosure

By participating in the "Auction" conducted on the Company.com ("RE") website, you ("Consumer") hereby agree to and specifically accept and agree to be bound by the following terms and conditions as set forth herein:

Company.com makes no representation or warranties as to lender's participation in any given auction. By submitting this application, each Consumer hereby expressly acknowledges and agrees that RE shall have no liability for any conduct of any lender, whether by omission or commission, or for any lender's failure to consummate its promised transaction. Consumer further acknowledges and agrees that RE is merely providing each auction as a service to both lender and Consumer and makes no representations or warranties as to any matter whatsoever, and that RE specifically disclaims that warranties of merchantability and fitness for a particular purpose.

RE makes no representation or warranty that any loan auction will receive a bid. In the event that no bids are received, it is generally an indicator that the lender requires more detailed information and possibly an in-depth conversation with the prospective borrower. As a service to Consumer, the Auction Application is moved to Auction Close-Out where RE arranges for an industry professional to provide counsel and advice regarding the financing needs of the borrower.

Submission of this application online serves as Company.com's authorization to access your credit information and further that it is a crime under Section 619 of the Fair Credit Reporting Act to obtain information under false pretenses-anyone who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be fined under Title 18, United States Code, imprisoned not more than 10 years, or both.

The lender's offer is conditional upon a thorough review of the potential borrower's income, debt, and property specifics. The Lender may withdraw its loan offer if any of Consumer's information is determined to be inaccurate or intentionally fraudulent.

Due to the complexity and size of the contemplated transaction, Consumer should not rely exclusively upon the information provided in this website. A qualified individual should conduct an analysis of the prospective borrower's financial condition and home investment strategy if Consumer is unfamiliar with this process.

During the bid period, RE recommends that Consumer retrieve his/her e-mails daily between 2:00 pm ET and 2:30 pm ET to receive notification of a winning bid.

If Consumer's application is moved to Auction Close-Out, RE recommends that Consumer retrieve his/her e-mails daily between 5:00 pm ET and 5:30 pm ET to receive notification from the winning lender.

If consumer desires to lock in the offered rate RE strongly recommends that consumer follows the lock-in procedures outlined in the 'Your Winning Lender' section of the website and fax all required documents to the lender prior to 3:00 pm (local time). Failure to do so may jeopardize Consumer's ability to secure the offered interest rate.

Consumer should not attempt to re-submit a loan auction application with forty-five (45) days of receiving notification of a winning bid. RE's loan auction system is designed to prevent the duplication of consumer entries during this time.

Previous Page

# FIG. 9C

SUBSTITUTE SHEET (RULE 26)

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☐ My Activity ☒ Mortgage Auction ☒ Property Analysis ☒ Home Planner ☒ Modify Log-In ☐

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890

**My Activity**

Welcome Johndotest@test.com

We're glad you've decided to give us a try. Please take a few moments to read about our services or navigate to any service from tabs above.

### Addresses On Record

Address	County	State	ZipCode
No Street Entered	No County Defined	No	No Zip Def

### Existing Mortgage Application(s)

edit   messages	Mortgage ID	Enter Date	Address	Status
	xxxxx	xx/xx/xxxx		Application not yet completed

### Our Services

#### Mortgage Auction

Wouldn't it be great to submit one application to over 250 lenders? Sound impossible? Not with our Mortgage Auction. You get the best rate because our leading lenders bid head-to-head for your loan business in a real time auction. Just fill out ONE auction application, sit back, and your winning bid is on its way.

#### Property Analysis

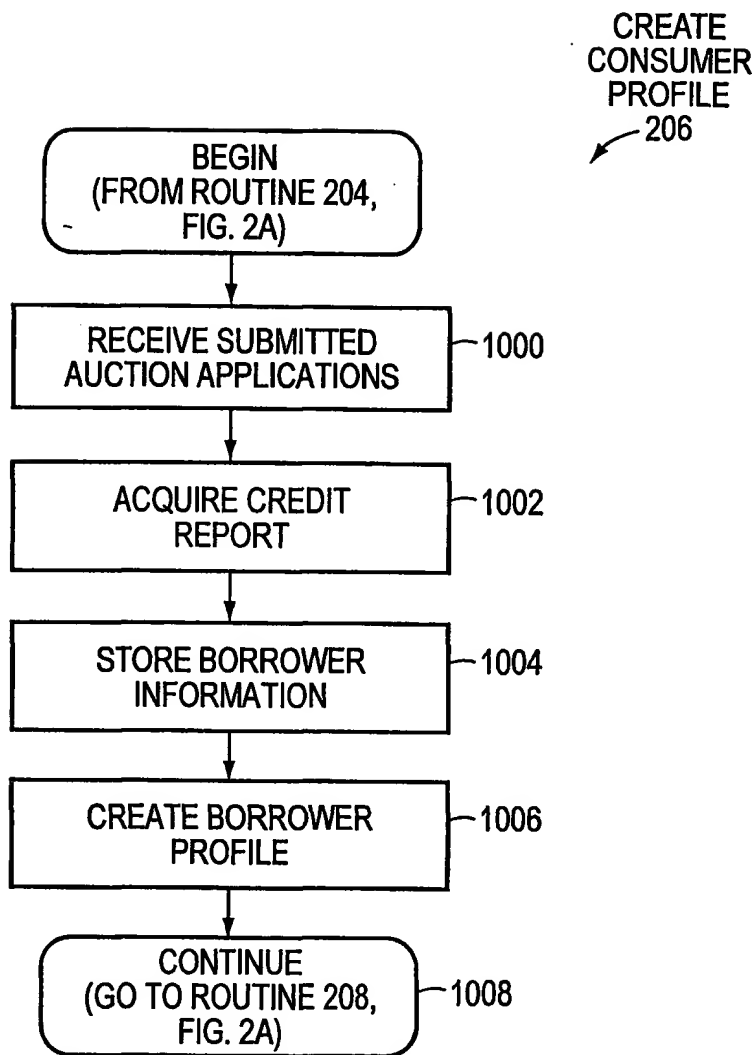
Do you know how much your home will appreciate in the next five years? Find out that and more with our unique Residential Property Report. And while you're here, check out our Neighborhood and Area Reports. They're free, thanks to a local estate professional.

#### MyHomePlanner

Have you ever wondered what it would be like to organize all of the events that happen in your home life? Like where to store important names and addresses. And when to schedule those important meetings? With MyHomePlanner, you have quick and easy access to the tools that will help you do all of this, and more.

FIG. 9D

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Get Home Financing

Our Mortgage Auction is the  
easiest way to get the lowest  
rate - guaranteed!

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Sample Loan Package

Previous Page

Application ID: 99999

Buyer's Profile

Credit Scores: Beacon: 750 - Fair Isaac: 746 - Empirica: 745

View Credit Report  1080

Debt Ratios (Front-end/Back-end) 7.5% / 11.6%

Gross Annual Salary \$112,000.00

Income verifiable? YES Self Employed NO

Other Income \$0.00 Anticipated Closing 91 to 120 Days

Veteran YES Occupation Project Manager

Monthly Debt Information

Mortgage/Rent \$800.00

Car Payment \$377.00

Other Loans \$0.00

Credit cards \$0.00

Child Support/Alimony \$0.00

Personal Loans \$0.00

Bankruptcy NO

Current Mortgage Information

Current Loan Amount \$75,000.00 Origin Date 08/01/1998

Loan Terms 15 Year Fixed Loan Balance \$73,000.00

Interest Rate 6.75 Current Loan Type N/A

Second Mortgage N/A Current Lender Sample Bank

Property Information

Loan Amount \$110,000.00 Loan Purpose Purchase a New Home

Loan Type Conventional Loan Term 30 Year Fixed

Loan to Value 28.72% Estimated Value \$383,000.00

Primary Residence YES State/County CA/Los Angeles County

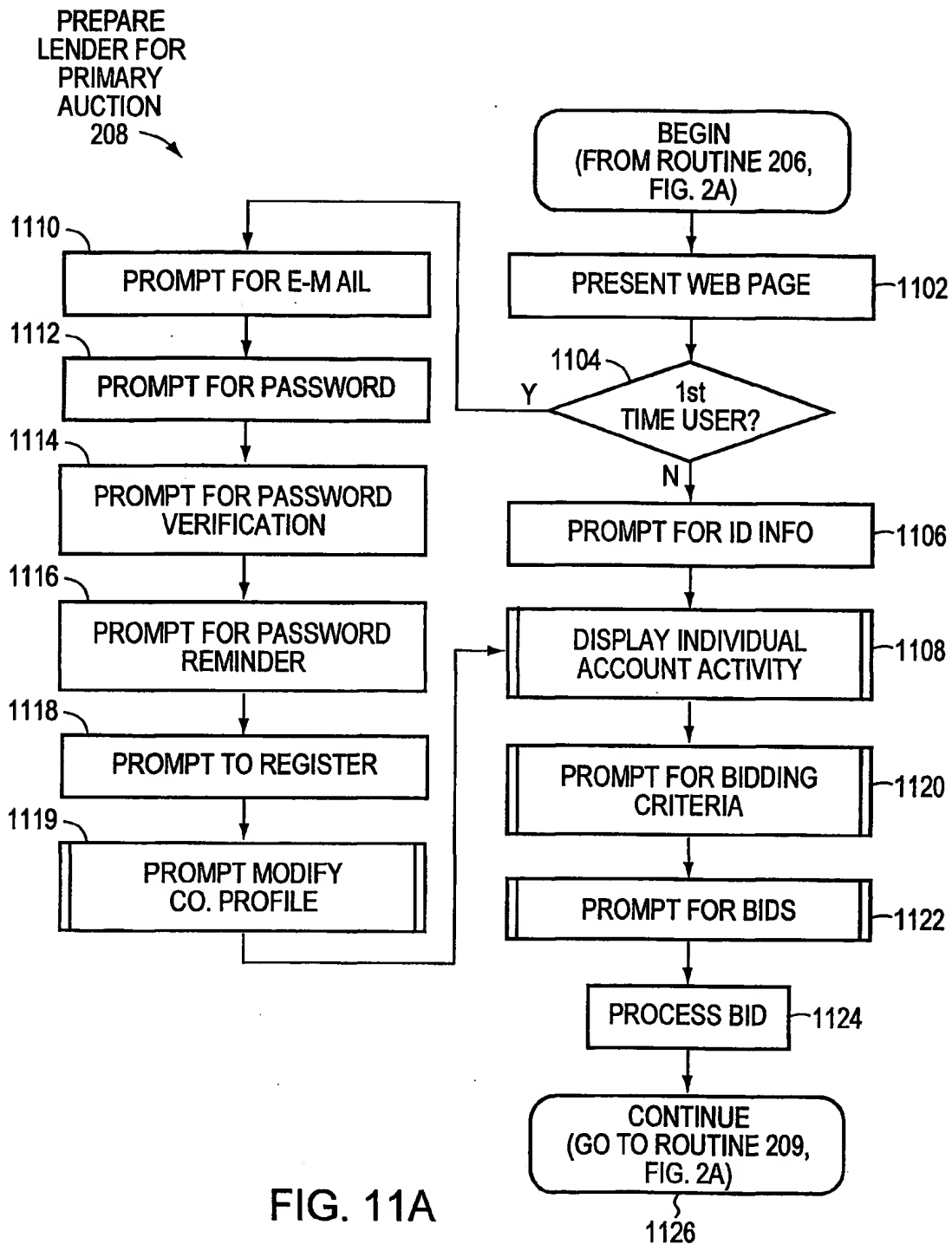
Contract on Property NO Property Type Single Family Residence

Down Payment Amt. \$273,000.00

[Back](#)[Place Bid](#)

FIG. 10B

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## Mortgage Lender

### From Start To Finish, Lending Just Got Easier

As the web's most user-friendly resource for real estate information and services, consumers expect the best from Company.com. You can leverage those expectations to easily reach thousands of qualified leads and expedite the loan-closing process.

RealEstate.com's valuable services for mortgage lenders include:

- **Mortgage Auction**— Allows you to easily reach borrowers across the country who meet your lending criteria.
- **Appraisal & Closing Services** — Quickly access to all the local services necessary to close a real estate transaction anywhere in the country.



>Maximize your marketing dollars.  
>Increase and expedite your transactions.  
>Accurately target qualified customers.

Get Home Financing

Our Mortgage Auction is the easiest way to get the lowest rate - guaranteed!

Site Search

☐ Professional Home

☐ Mortgage Auction

☐ Appraisal & Closing

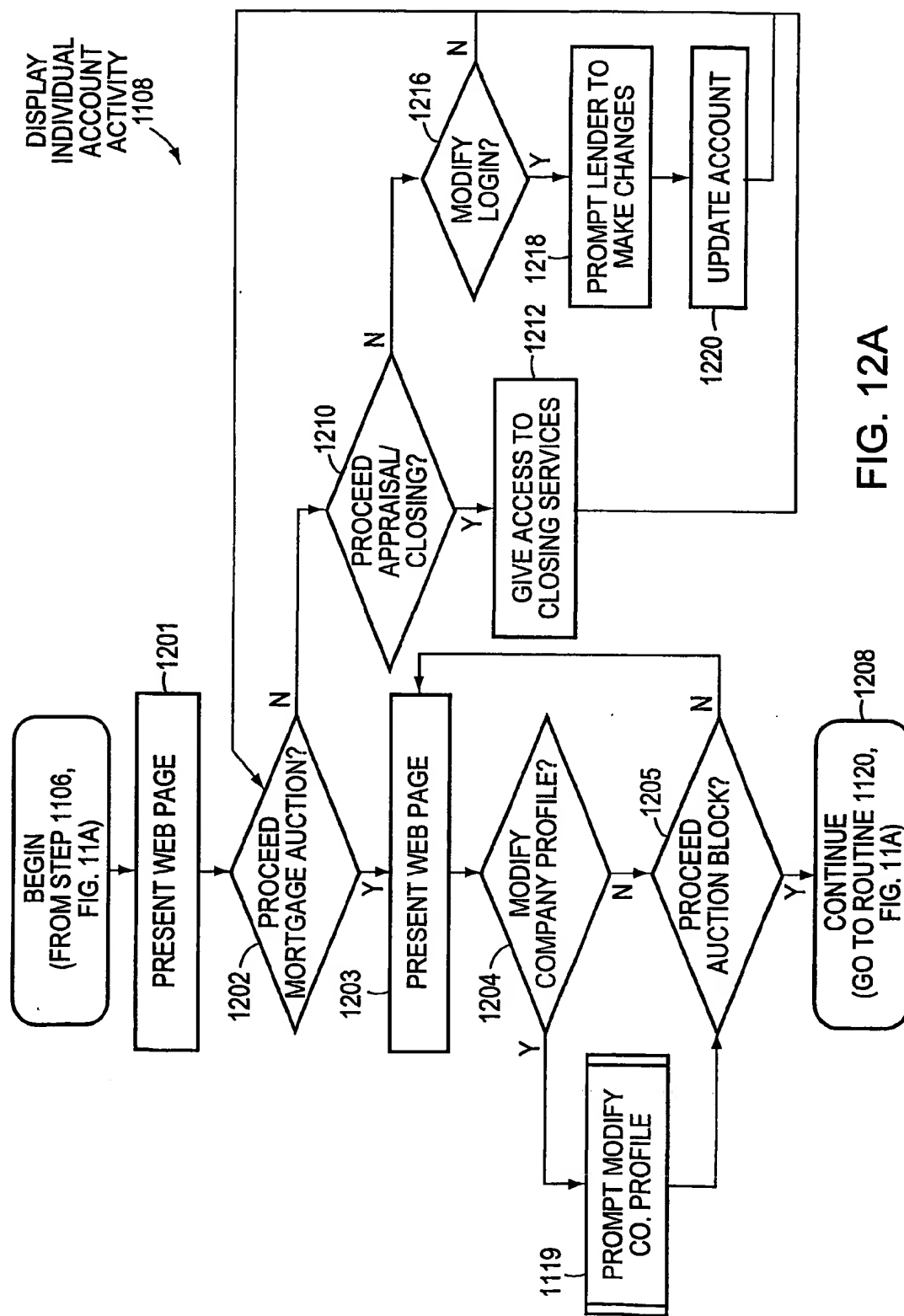
Registered  
Professionals  
LOGIN HERE

Account ID:

Password:

FIG. 11B

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1295

Account Information for Joe DoeModify AccountCompany  
Email Address  
Address

Phone

FIG. 12B

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Home Page

Mortgage Auction

Proceed to the Mortgage Auction Block

Modify Your Company Profile*The Auction closes at 2:00 PM Eastern Time each weekday*Mortgage Auction Status

Auction Type	Status	Last Change	▼
Auction	Open for Bidding	Apr 19 2000 2:02PM	1296a
Auction Closeout	Open for Bidding	Apr 19 2000 5:06PM	
			▲

You currently have no winning applications.

You currently have no winning closeout applications.

You currently have no winning no-bid applications.

You currently have no bids placed.

FIG. 12C

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Get Home Financing  
Our auction is the easiest way  
to get the lowest rate.  
Click here

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## Appraisal & Closing Registration Form

1280

Thank you for choosing Company.com Appraisal & Closing Services. To begin your registration, please complete the following information. If you need assistance please call Customer Service toll-free at option 3.

### Contact Information

First Name:	<input type="text"/>	
Last Name:	<input type="text"/>	
Company Name:	<input type="text"/>	1285
Address 1:	<input type="text"/>	
Address 2:	<input type="text"/>	
City:	<input type="text"/>	State: <input type="text"/> <input type="button" value="v"/>
County:	<input type="text"/>	<input type="text" value="..."/>
Country:	<input type="text" value="Choose a Country"/> <input type="button" value="v"/>	
Phone:	<input type="text"/>	
Other Phone:	<input type="text"/>	
Fax:	<input type="text"/>	
E-mail:	<input type="text"/>	
Website:	<input type="text"/>	

How did you hear about us?

- ☐ Newspaper  
 ☐ Radio  
 ☐ Television  
 ☐ Title Technology Magazine  
 ☐ Internet  
 ☐ Trade Show  
 ☐ Communicator Magazine  
 ☐ Other

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FIG. 12D

SUBSTITUTE SHEET (RULE 26)

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to get the lowest rate.  
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## Appraisal & Closing License Agreement

1299

License Agreement	
<p>This is an agreement between, Company.com Appraisal and Closing Services™ a company Corporation ("Company.com") and you, (a person, group of persons you invite to participate, or entity) ("Participant") for the furnishing of the Service, as herein defined (the "Agreement"). "Service" shall mean the provision of Company.com ("Software") as operated by Company.com. The terms in this Agreement constitute the entire and only agreement between the parties with regards to the subject matter hereof. This Agreement may be modified only in writing signed by all parties.</p> <p>Confidentiality and Security - The parties agree that Company.com shall not under any circumstances be held responsible or liable for situations where the data stored or communicated through the Service are accessed by third parties through illegal or illicit means including.</p>	<div>▲</div> <div></div> <div></div> <div></div> <div>▼</div>

1299

I accept the terms of this agreement

☒ Yes ☐ No

1299b

**FIG. 12E**

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[Get your FREE Residential Property Report now.](#) 1297

Modify Account

New E-mail Address:

New Password:

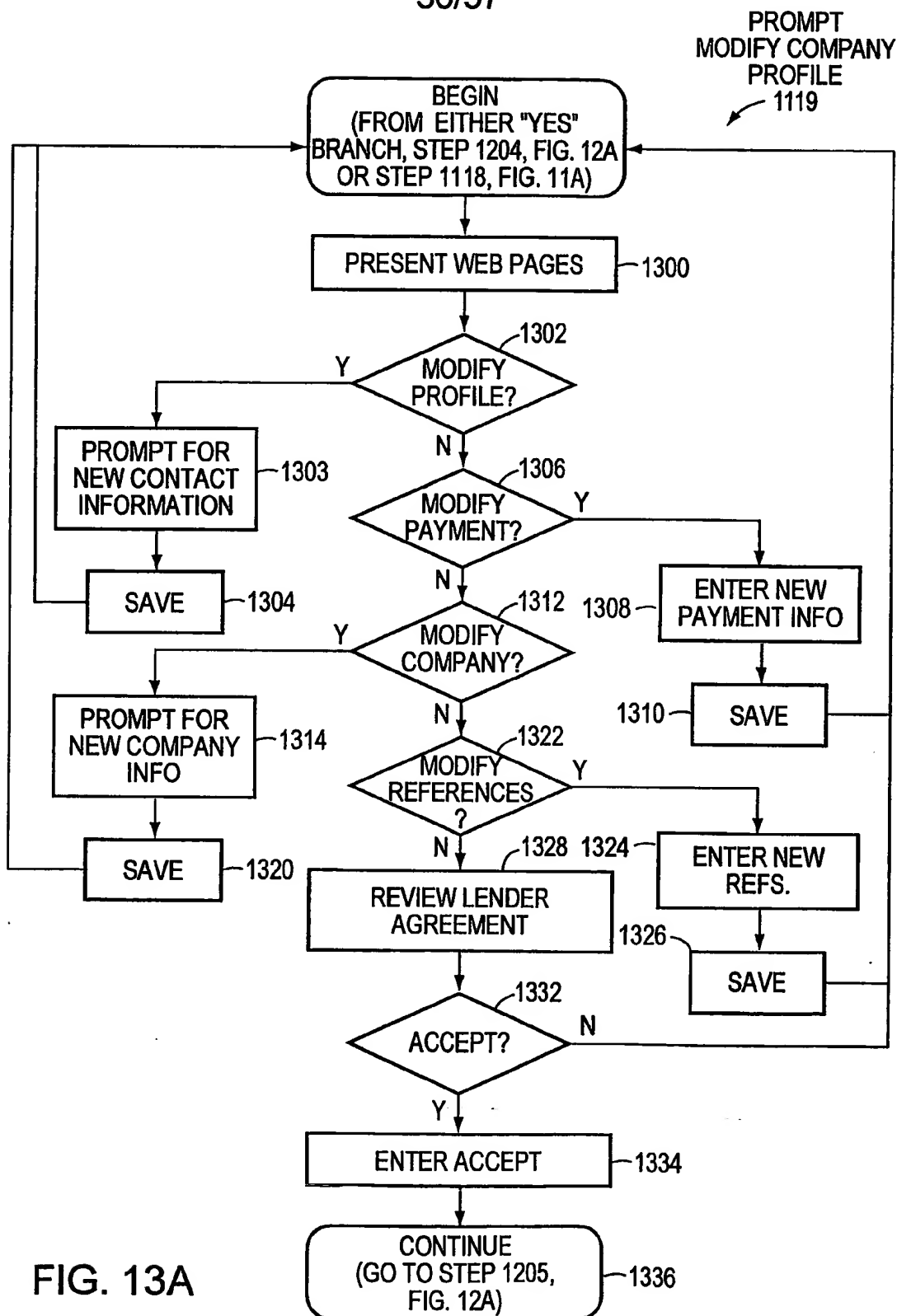
Verify New Password:

New Password Remainder Phrase:

1297a

FIG. 12F

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☐ Profile ☒ Payment ☒ Company ☒ References ☒ Finish ☐   
 My Activity 1355 1350 Company Profile
Contact Information

\*First Name:

\*Last Name:

\*Title:

\*Work Phone: (  )  Ext:

Other Work Phone: (  )  Ext:

\*Work Fax:

\*Work E-mail:  .com

1357

Secondary Contact Information

First Name:

Last Name:

Title:

Work Phone: (  )  Ext:

Other Work Phone: (  )  Ext:

Work Fax:

Work E-mail:

1358

Accounts Payable Contact Information

\*First Name:

\*Last Name:

\*Title:

\*Work Phone: (  )  Ext:

Other Work Phone: (  )  Ext:

\*Work Fax:

\*Work E-mail:

1359

\*How Did You Hear About Us?

FIG. 13B

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- ☐ The Online Banking Report
- ☐ Mortgage Banking Magazine
- ☐ The Mortgage Press
- ☐ American Banker
- ☐ Real Estate Finance Today
- ☐ Mortgage Banking Magazine
- ☐ Mortgage Technology Magazine
- ☐ National Mortgage News Magazine
- ☐
- ☐
- ☐
- ☐
- ☐ Trade Show
- ☐ Internet
- ☐ Real Estate Agent
- ☐ Company.com Salesperson
- ☐ Television
- ☐ Other

1350  
1360  


\* Denotes required field

Next/Save

FIG. 13C

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My Activity Company Profile

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Payment Information**\*Method of Payment:**

1371

Bank Draft**\*Bank Name:****\*Branch Location:****\*Account/Draft/ACH:****\*Name on Account:****\*Transit Code:****\*Routing No.:****\*Contact First Name:****\*Contact Last Name:****\*Contact Phone:****\*City:****\*State:****\*Zip:**

1375

Credit Card**\*Credit Card Type:****\*Credit Card Number:****\*Expiration Date: (MM/YY)****\*Name on Card:****\*Billing Address:****\*City:****\*State:****\*Zip:**

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\* Denotes required field

FIG. 13D

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My Activity

Company Profile

Company Information

\*Company Name:

1380

\*Address 1:

Address 2:

\*City:

\*State:

\*County:

\*Zip:

1382

\*Country:

Company Website:

\*Company Profile





\*Please Check One:

\*Any Pending Litigation with your Firm?

1385

\*Legal Business Name and DBA:

\*Type of Bus. (or SIC Code):

\*Taxpayer ID:

D &amp; B Number:

D &amp; B Rating:

Name of Parent Co.:

Address of Parent Co.:

Parent City:

Parent State:

Parent Zip:

1386

\*Type:

\*HQ State License #:

1387

\*Year in Business:

\*No. of Emp:

\*Monthly dollar volume:

\*No. Originators on Staff:

General Program Guidelines

FIG. 13E

SUBSTITUTE SHEET (RULE 26)

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	Credit Score	Max. Back-End	Max. LTV	Non-Income Ver.	Non-Assest Ver.
A Credit	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> ▼	<input type="text"/> ▼
B Credit	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> ▼	<input type="text"/> ▼
C Credit	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> ▼	<input type="text"/> ▼
D Credit	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> ▼	<input type="text"/> ▼

\*Do you originate 2nd Mortgage / Home Equity Loans?

 ▼

\*Do you originate 125 LTV Loans?

 ▼

\*Do you participate in any Government Programs?

 ▼

\*States Represented

1389

<input type="checkbox"/> AK	<input type="checkbox"/> AL	<input type="checkbox"/> AR	<input type="checkbox"/> AZ	<input type="checkbox"/> CA	<input type="checkbox"/> CO	<input type="checkbox"/> CT	<input type="checkbox"/> DC	<input type="checkbox"/> DE	<input type="checkbox"/> FL	<input type="checkbox"/> HI
<input type="checkbox"/> IA	<input type="checkbox"/> ID	<input type="checkbox"/> IL	<input type="checkbox"/> IN	<input type="checkbox"/> KS	<input type="checkbox"/> KY	<input type="checkbox"/> LA	<input type="checkbox"/> MA	<input type="checkbox"/> MD	<input type="checkbox"/> ME	<input type="checkbox"/> MI
<input type="checkbox"/> MN	<input type="checkbox"/> MO	<input type="checkbox"/> MS	<input type="checkbox"/> MT	<input type="checkbox"/> NC	<input type="checkbox"/> ND	<input type="checkbox"/> NE	<input type="checkbox"/> NH	<input type="checkbox"/> NJ	<input type="checkbox"/> NM	<input type="checkbox"/> NV
<input type="checkbox"/> NY	<input type="checkbox"/> OH	<input type="checkbox"/> OK	<input type="checkbox"/> OR	<input type="checkbox"/> PA	<input type="checkbox"/> RI	<input type="checkbox"/> SC	<input type="checkbox"/> SD	<input type="checkbox"/> TN	<input type="checkbox"/> TX	<input type="checkbox"/> UT
<input type="checkbox"/> VA	<input type="checkbox"/> VT	<input type="checkbox"/> WA	<input type="checkbox"/> WI	<input type="checkbox"/> WV	<input type="checkbox"/> WY					

☐ All States are represented

\* Denotes required field

Next/Save

FIG. 13F

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My Activity   Company Profile
Trade References

Name:	Account Number:	City:	State:	Zip:	Phone:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> ▼	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> ▼	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> ▼	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> ▼	<input type="text"/>	<input type="text"/>

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\* Denotes required field

Next/Save

FIG. 13G

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My Activity Company Profile

### Lender Participation Agreement

By participating in the "Auction" conducted on the Company.com website, you (Lender") hereby agree to and specifically accept and agree to be bound by the following terms and conditions, specifically including the payment of all fees due Company.com as set forth herein:

The parties to this Agreement desire to evidence their intention to be bound by electronic data interchanges as described herein and specifically agree as follows: (a) The parties agree that no writing shall be required in order to make their agreements legally binding, notwithstanding any contrary requirement in any law; (b) To the maximum extent permitted by law, the parties hereby define the electronic data interchange procedures to satisfy the requirement of any writing which may be imposed by any law; (c) The parties agree that no signature shall be required in order to have legally enforceable agreements between them; (d) To the maximum extent permitted by law, the parties hereby define the confidential codes that they will be using in order to transmit information to each other as any necessary "signature" which may be required by any law; and, (e) The parties hereby agree that neither will raise any defense of lack of writing or lack of

1395

1396



FIG. 13H

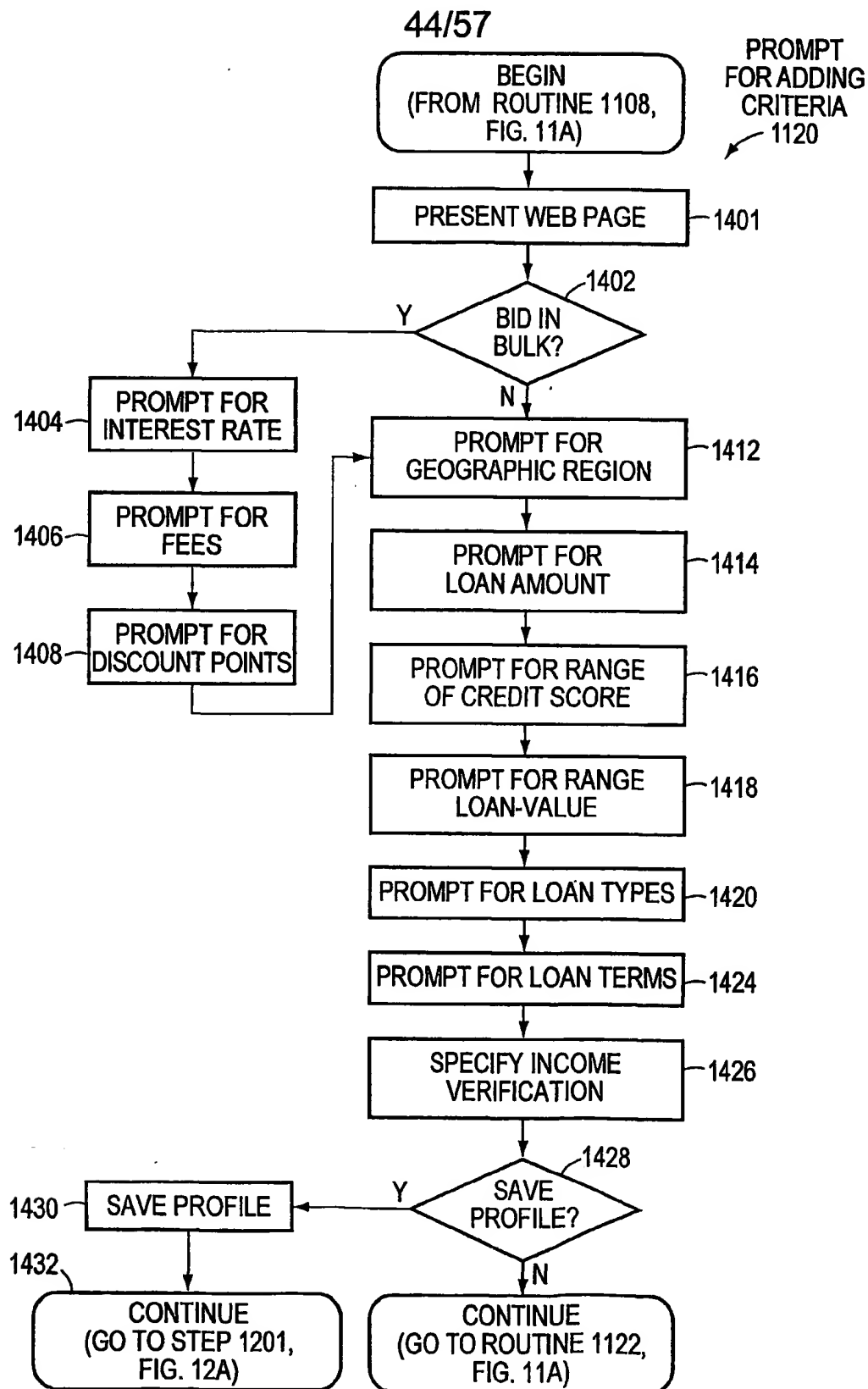


FIG. 14A



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Property Analysis

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My Activity

Mortgage Applications

1460

Auction Bulk Bidding Amounts

What is Bulk Bidding?

1463

Interest Rate:  %Legal Fee: \$  Processing Fee: \$  Underwriting Fee: \$ Document Preparation Fee: \$  Appraisal Fee: \$  Origination Fee:  %Discount Points:  %Query Guidelines☐ Show All Applications  
1465a

1465

<input type="checkbox"/> AK	<input type="checkbox"/> AL	<input type="checkbox"/> AR	<input type="checkbox"/> AZ	<input type="checkbox"/> CA	<input type="checkbox"/> CO	<input type="checkbox"/> CT	<input type="checkbox"/> DC	<input type="checkbox"/> DE	<input type="checkbox"/> FL	<input type="checkbox"/> HI
<input type="checkbox"/> IA	<input type="checkbox"/> ID	<input type="checkbox"/> IL	<input type="checkbox"/> IN	<input type="checkbox"/> KS	<input type="checkbox"/> KY	<input type="checkbox"/> LA	<input type="checkbox"/> MA	<input type="checkbox"/> MD	<input type="checkbox"/> ME	<input type="checkbox"/> MI
<input type="checkbox"/> MN	<input type="checkbox"/> MO	<input type="checkbox"/> MS	<input type="checkbox"/> MT	<input type="checkbox"/> NC	<input type="checkbox"/> ND	<input type="checkbox"/> NE	<input type="checkbox"/> NH	<input type="checkbox"/> NJ	<input type="checkbox"/> NM	<input type="checkbox"/> NV
<input type="checkbox"/> NY	<input type="checkbox"/> OH	<input type="checkbox"/> OK	<input type="checkbox"/> OR	<input type="checkbox"/> PA	<input type="checkbox"/> RI	<input type="checkbox"/> SC	<input type="checkbox"/> SD	<input type="checkbox"/> TN	<input type="checkbox"/> TX	<input type="checkbox"/> UT
<input type="checkbox"/> VA	<input type="checkbox"/> VT	<input type="checkbox"/> WA	<input type="checkbox"/> WI	<input type="checkbox"/> WV	<input type="checkbox"/> WY					

☐ View all states  
1465Enter Loan Amount Range: from \$  to \$  1466☐ Review all loan amountsEnter Credit Score Range: from  to  1467☐ Review all credit scoresEnter Loan to Value Range: from  % to  % 1468☐ Review all Loan to Value ranges

Select Loan Type(s):

☐ Refinance My Mortgage and Get Cash Out☐ 2nd Mortgage/Home Equity☐ Purchase a New Home☐ Refinance My Mortgage

1470

FIG. 14B

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Select Loan Term(s):

- ☐ 1 yr. ARM
- ☐ 3 yr. Fixed Then Adjustable
- ☐ 5 yr. Fixed Then Adjustable
- ☐ 7 yr. Fixed Then Adjustable
- ☐ 15 Year Fixed
- ☐ 20 Year Fixed
- ☐ 30 Year Fixed

1473

Income Verification:

1475

☐ Yes   ☐ No   ☒ Both

**Save Bulk Bid Profile****Submit for Bulk Bid**

FIG. 14C

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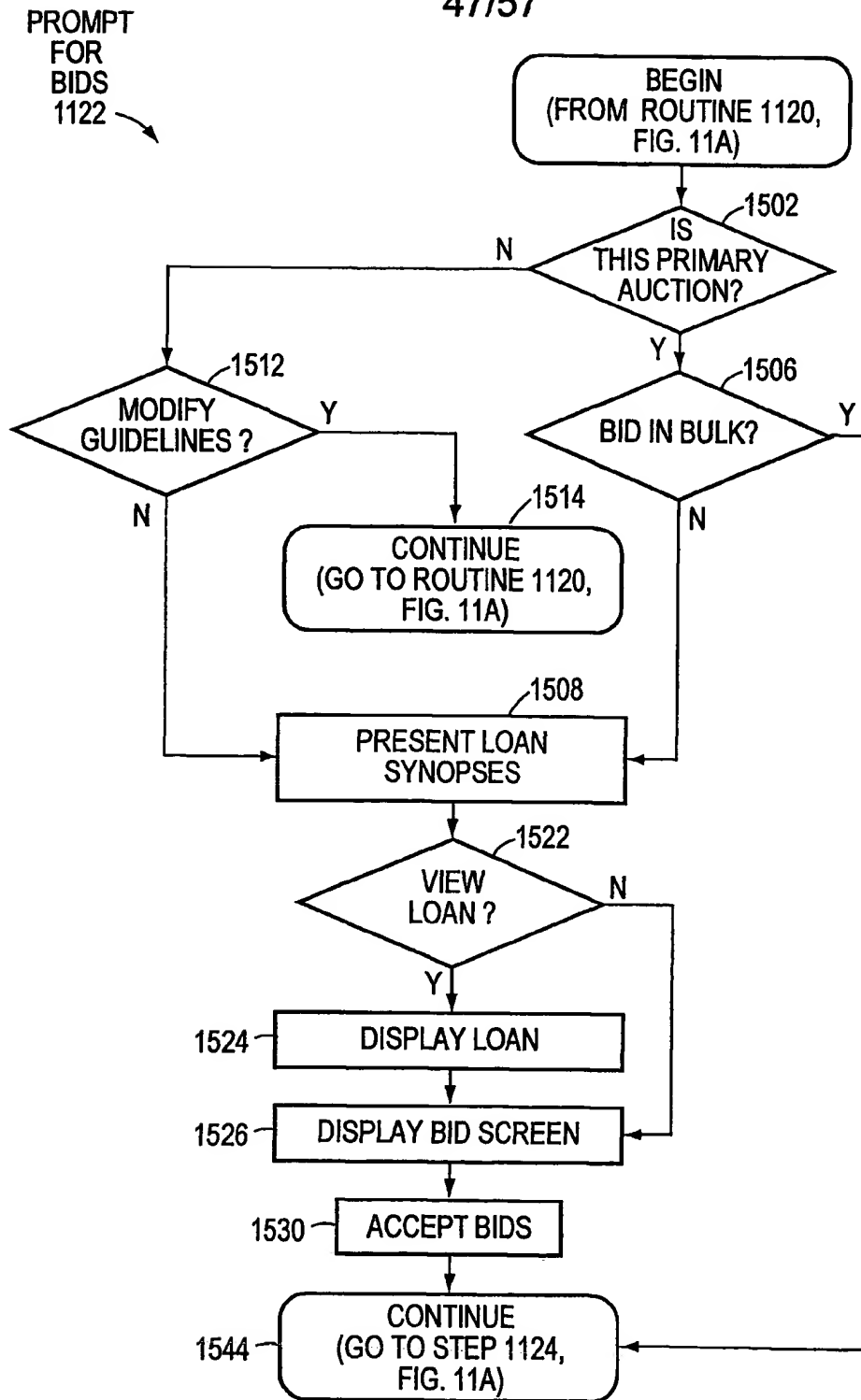


FIG. 15A

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1570

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View all mortgage profiles and credit reports for free, then submit your best rates and fees in an online, real-time auction format. Company.com will notify you via e-mail daily between 2:00 and 2:30 p. ET of any auction application won that day. Detailed information about the consumer may be retrieved from the My Status page to see your winning applications.

Applications☐ Select All Applications

## Arkansas

<input type="checkbox"/>	Mortgage	Amount	B.Hi	B.Lo	C.Hi	C.Lo	Loan Term	Loan Type
	166908	\$80,000.00	565	536	N/A	N/A	30 Year Fixed	Purchase a New Home

## Florida

<input type="checkbox"/>	Mortgage	Amount	B.Hi	B.Lo	C.Hi	C.Lo	Loan Term	Loan Type
	166789	\$59,500.00	657	631	N/A	N/A	30 Year Fixed	Purchase a New Home
	166321	\$20,000.00	633	569	588	N/A	30 Year Fixed	Refinance My Mortgage

## Illinois

<input type="checkbox"/>	Mortgage	Amount	B.Hi	B.Lo	C.Hi	C.Lo	Loan Term	Loan Type
	166628	\$250,000.00	761	707	N/A	N/A	30 Year Fixed	Purchase a New Home
	166291	\$107,500.00	N/A	N/A	N/A	N/A	7 yr. Fixed Then Adjustable	Purchase a New Home

1575

## Massachusetts

<input type="checkbox"/>	Mortgage	Amount	B.Hi	B.Lo	C.Hi	C.Lo	Loan Term	Loan Type
	166594	\$333,000.00	801	794	N/A	N/A	30 Year Fixed	Purchase a New Home

## Michigan

<input type="checkbox"/>	Mortgage	Amount	B.Hi	B.Lo	C.Hi	C.Lo	Loan Term	Loan Type
	165072	\$140,000.00	N/A	N/A	N/A	N/A	30 Year Fixed	Purchase a New Home

## Ohio

<input type="checkbox"/>	Mortgage	Amount	B.Hi	B.Lo	C.Hi	C.Lo	Loan Term	Loan Type
	166870	\$209,000.00	793	765	N/A	N/A	30 Year Fixed	Purchase a New Home

FIG. 15B

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## Pennsylvania

	Mortgage	Amount	B.Hi	B.Lo	C.Hi	C.Lo	Loan Term	Loan Type
<input type="checkbox"/>	166563	\$120,000.00	N/A	N/A	N/A	N/A	30 Year Fixed	Purchase a New Home

## Tennessee

	Mortgage	Amount	B.Hi	B.Lo	C.Hi	C.Lo	Loan Term	Loan Type
<input type="checkbox"/>	166887	\$137,500.00	719	665	N/A	N/A	30 Year Fixed	Purchase a New Home

## Texas

	Mortgage	Amount	B.Hi	B.Lo	C.Hi	C.Lo	Loan Term	Loan Type
<input type="checkbox"/>	166873	\$79,900.00	678	N/A	N/A	N/A	30 Year Fixed	Purchase a New Home

## Virginia

	Mortgage	Amount	B.Hi	B.Lo	C.Hi	C.Lo	Loan Term	Loan Type
<input type="checkbox"/>	166920	\$149,000.00	701	632	N/A	N/A	3 yr. Fixed Then Adjustable	Purchase a New Home
<input type="checkbox"/>	166321	\$115,900.00	613	519	588	N/A	3 yr. Fixed Then Adjustable	Purchase a New Home

Place Group Bid
-----------------

FIG. 15C

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## Place Your Auction Bid

Interest Rate:  %Legal Fee: \$  Processing Fee: \$  Underwriting Fee: \$ Document Preparation Fee: \$  Appraisal Fee: \$  Origination Fee:  %Discount Points:  %

## Selected Mortgage Application

State <input type="text"/>	Loan Amount	Loan Type	<input type="text"/>
FL	260000.00	Conventional	<input type="text"/>
			<input type="text"/>

FIG. 15D

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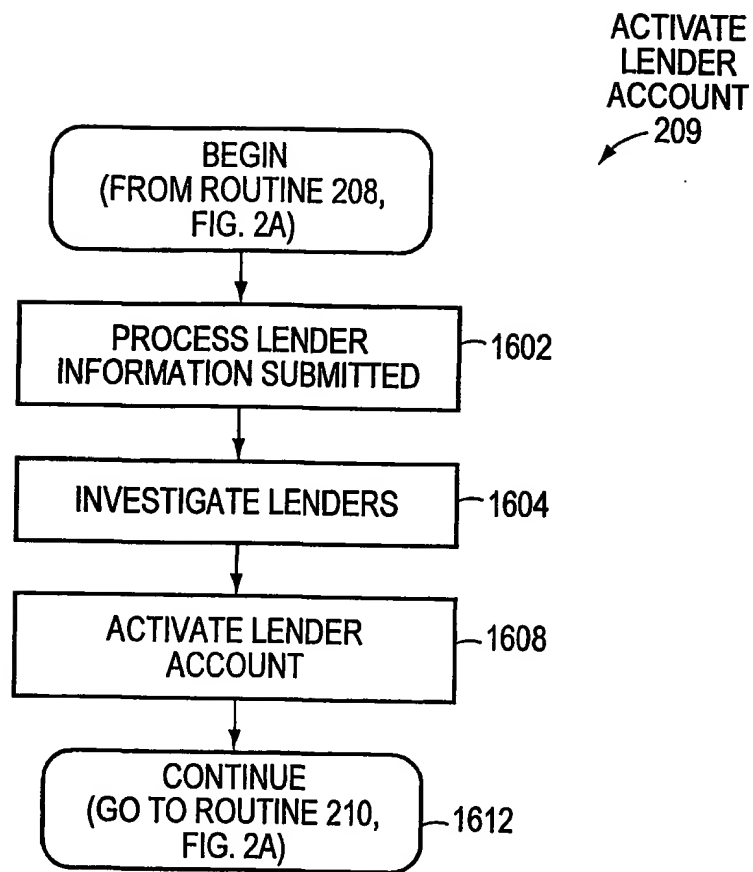


FIG. 16

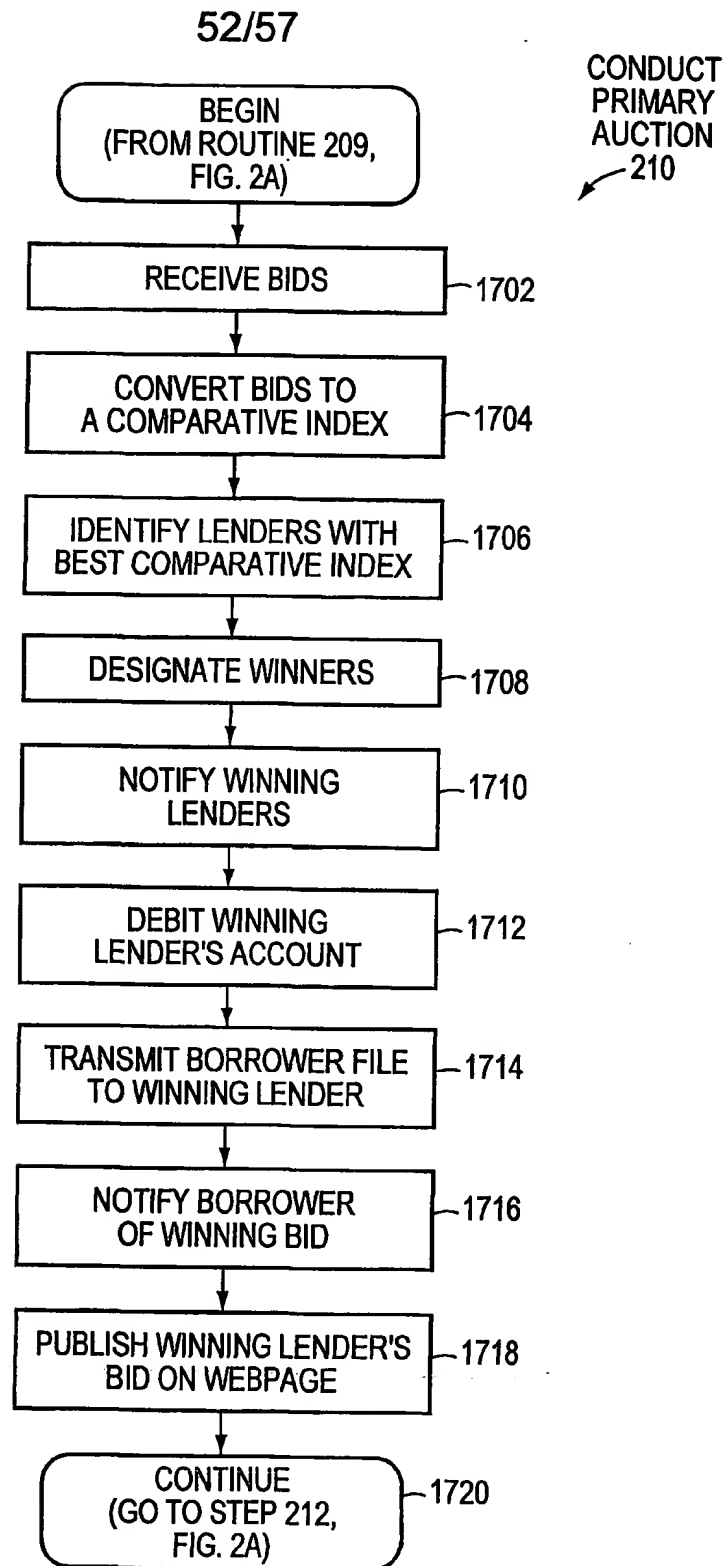


FIG. 17A



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```

CREATE PROCEDURE cAPR_sp
    @SystemUserID      uniqueidentifier,
    @InterestRate       float,
    @UnitPeriods       int,
    @NumPayments       int,
    @Amount            money,
    @Total             money,
    @FoundAPR          float = NULL OUTPUT

AS
BEGIN
DECLARE
    @LastAPR          float
    @PaymentLoop      int,
    @Loop            int,
    @MaxLoops        int,
    @DefPrecision     int,
    @APR             float,
    @AverageAPR       float,
    @pRate1          float,
    @pRate2          float,
    @Sum1            float,
    @Sum2            float,
    @a1             float,
    @a2             float,

select @Loop = 1
select @MaxLoops = 75
select @defPrecision = 12
select @LastAPR = @InterestRate
select @APR = 0.0
select @AverageAPR = 0.0

    While @Loop <= @MaxLoops
    BEGIN
        -- This is the first part of step 1 and 2, evaluate 'i'
        --pRate1 = (CDB1 (lastAPR) / (100.00 * unitPeriods) )
        --pRate2 = (CDB1 (lastAPR + .1) / (100.00 * unitPeriods) )
        SELECT @pRate1 = @LastAPR / ( 100.00 * NULLIF ( @UnitPeriods, 0) )
        SELECT @pRate2 = ( @LastAPR + .1) / (100.00 * NULLIF ( @UnitPeriods, 0) )

        -- The heart of the algorithm is a summation. These are our
        'summation indices'.
        SELECT @Sum1 = 0.0
        SELECT @Sum2 = 0.0
        -- Now, calculate the present value of 1 per unit-period for 'x'
        -- Unit-periods, first payment do immediately.
        SELECT @PaymentLoop = 0
        WHILE @PaymentLoop < @NumPayments
        BEGIN
            SELECT @Sum1 = @Sum1 + (1.0 / POWER (1.0 + NULLIF(@pRate1,0), 1.0
            * @PaymentLoop ))
            SELECT @Sum2 = @Sum2 + (1.0 / POWER (1.0 + NULLIF(@pRate2,0), 1.0
            * @PaymentLoop ))
            SELECT @PaymentLoop = @PaymentLoop + 1
        END
    END

```

FIG. 17B

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```

-- This is the second part of step 1 and 2, evaluate 'A'
SELECT @a1 = (@Amount * @Sum1) / (1.0 + NULLIF (@pRate1, 0) )
SELECT @a2 = (@Amount * @Sum2) / (1.0 + NULLIF (@pRate2, 0) )
-- Step 3, interpolate for APR
SELECT @APR = Round ( (@LastAPR + (.1 * ((@Total - @a1) / (NULLIF(@a2,0)
- NULLIF (@a1,0) ) ) ) ) ,3)

--if result is with tolerance, then return the calculated APR
IF POWER (10.0, - 1.0 * @DefPrecision ) >= Abs (@LastAPR - @APR)
BEGIN
    SELECT @FoundAPR = @APR
    RETURN
END

SELECT @LastAPR
--if first time, just use calculated APR. This should make the
--average a bit closer to true value.
IF @AverageAPR = 0.0
    SELECT @AverageAPR = @APR
ELSE
    SELECT @AverageAPR = (@AverageAPR + @APR) / 2.0

    SELECT @Loop = @Loop + 1
END
SELECT @FoundAPR = @AverageAPR

return ( 0 )
END

```

FIG. 17C

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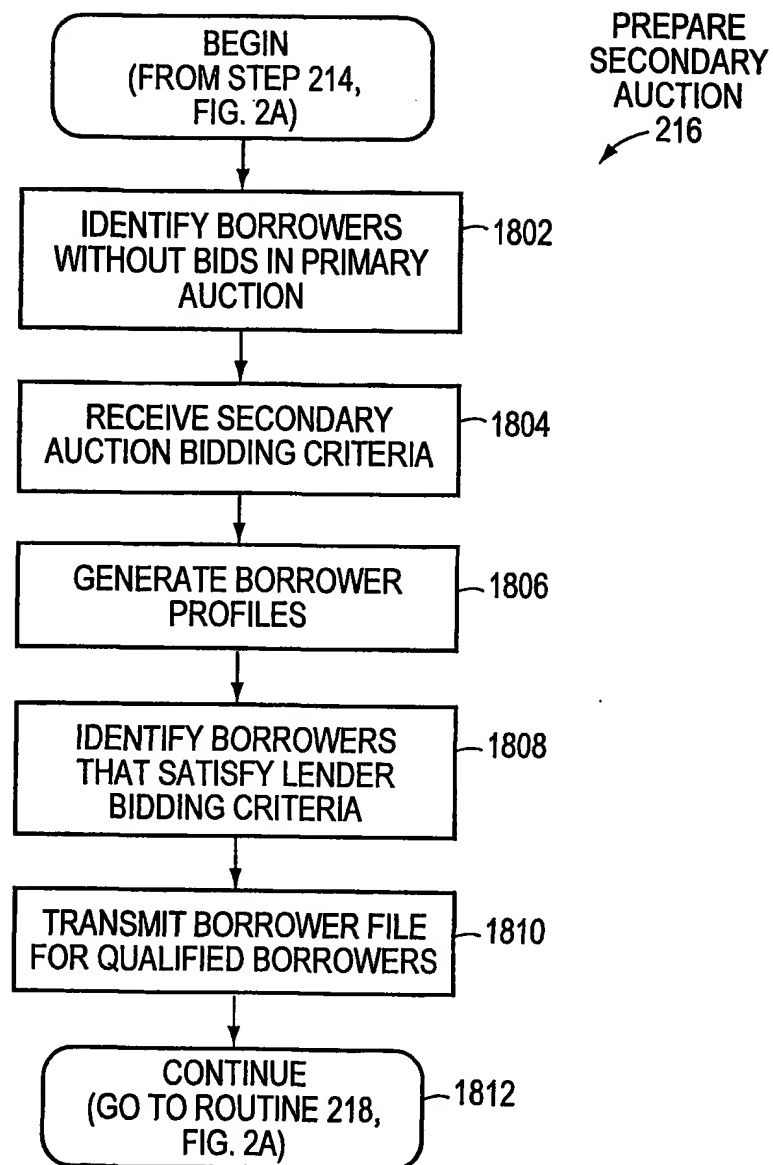


FIG. 18

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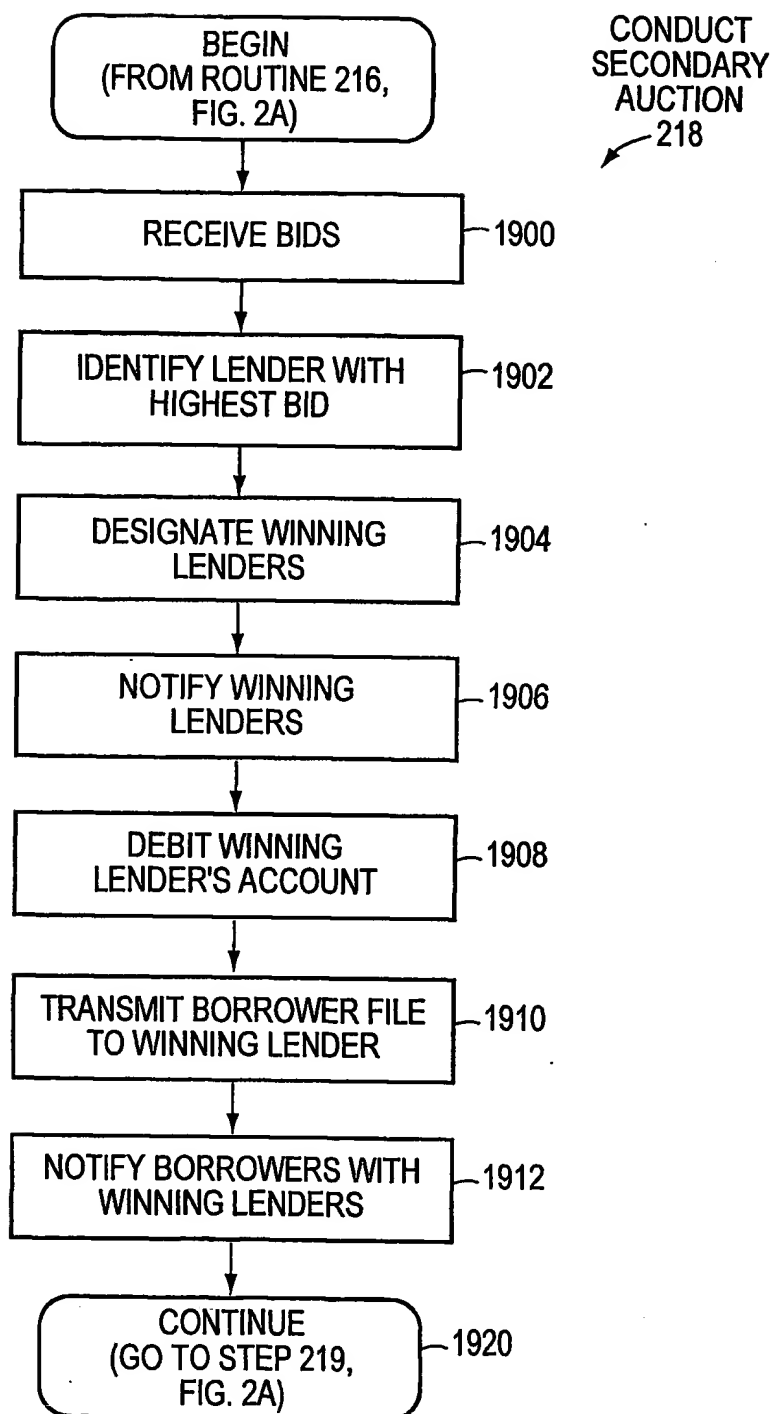


FIG. 19

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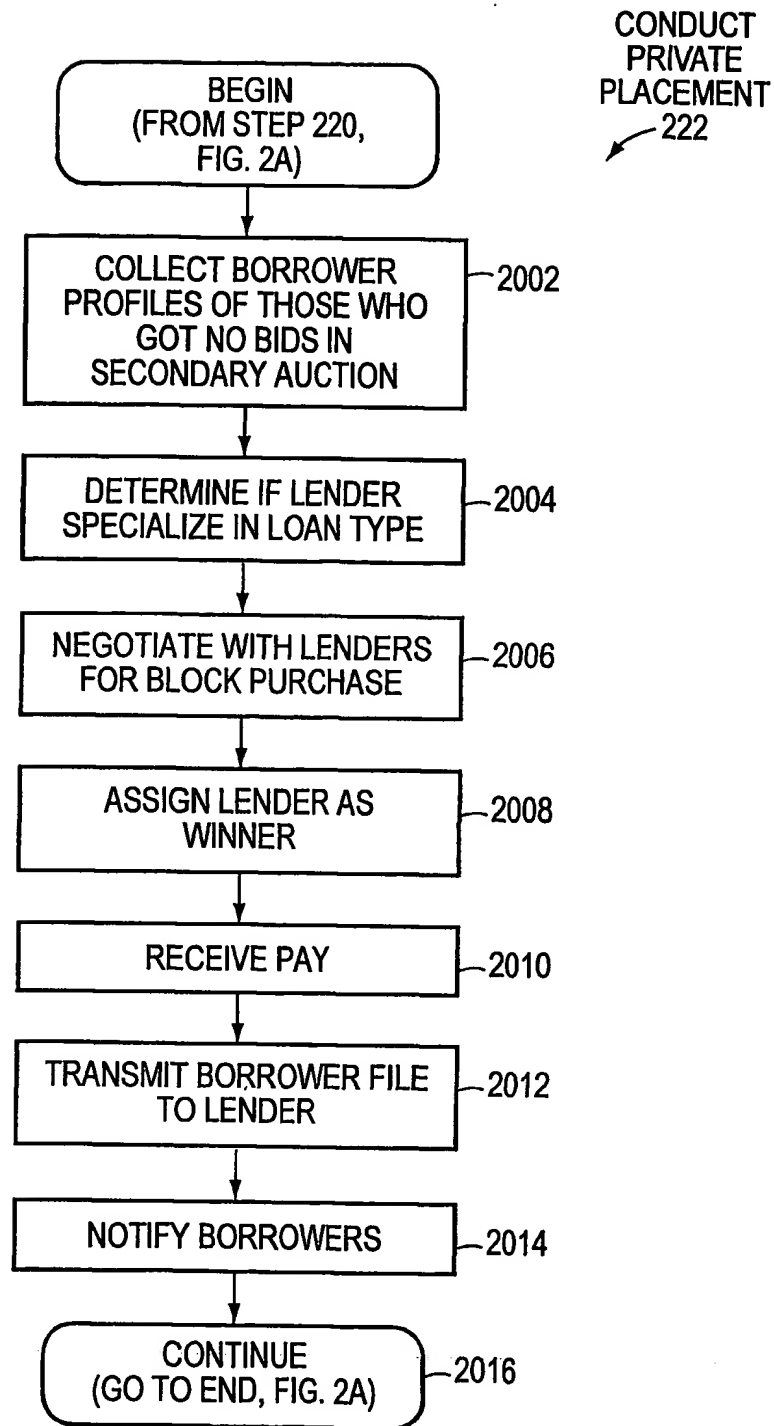


FIG. 20

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Conduct  
Private  
Placements  
222  
↓

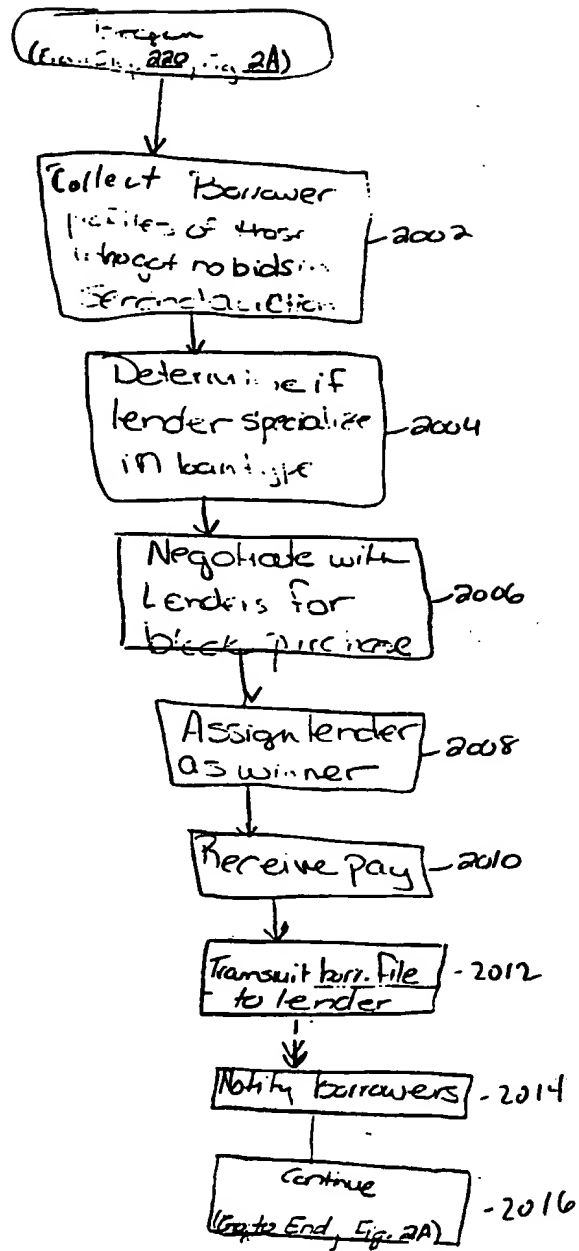


Fig. 20

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